Daily Report

Latin America

FBIS-LAT-95-219
Tuesday
14 November 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-95-219 *14 November 1995*

CONTENTS

INTER-AMERICAN AFFAIRS

Argentina's Balza: Armies Conference 'Highly Positive' *[TELAM]* 1
Central American Vice Presidents Close San Jose Meeting *[DIARIO LATINO 8 Nov]* 1

CARIBBEAN

Cuba

Radio Commentary Criticizes U.S. Opinion on Emigrants *[Havana Radio]* 2
European Union Commission Concludes Exploratory Talks *[Havana TV]* 2
Foreign Ministry Spokesman on Robaina Trip, Talks With EU *[Havana Radio]* 2

Haiti

Aristide Speaks at Funeral Ceremony, Urges Disarmament *[Port-au-Prince TV]* 3
Prime Minister Decries 'Gangster-Like' Demonstrators *[AFP]* 6
Government Asks 'Avenger' Groups To Halt Illegal Searches *[Madrid EFE]* 6

MEXICO

President Congratulates Victorious PRI Candidate *[NOTIMEX]* 8
Deputies Chamber To Insert Contingency Fund *[LA JORNADA 9 Nov]* 8
ARE Spokesman Denies Establishment of Exchange Controls *[Mexico City TV]* 9
Exporters Postpone Currency Rescue Fund *[EL FINANCIERO 9 Nov]* 9
Business Sector Demands Immediate Interest Rate Reduction *[EL FINANCIERO 9 Nov]* 11
Senate Approves Reforms To Detect Money Laundering *[NOTIMEX]* 12
PRI Found Leading for Michoacan Election *[REFORMA 3 Nov]* 12
PRD Claims Opposition Lead in Michoacan *[REFORMA 4 Nov]* 13
Poll Conducted on New Economic Measures *[REFORMA 31 Oct]* 13

CENTRAL AMERICA

El Salvador

Deputy Views 'Uncertain' Situation of Citizens Abroad *[San Salvador Radio]* 15
Business Sector Denounces Campaign To Discredit Country *[EL DIARIO DE HOY 9 Nov]* ... 15

Guatemala

Reportage on Unofficial Local Election Results 16
Berger Reelected Guatemala City Mayor *[Guatemala City Radio]* 16
Change 2000 Candidate Wins in Antigua *[Guatemala City Radio]* 17
PAN's Arzu Leads in Guatemala City *[NOTIMEX]* 17
Blackout Interrupts Vote Counting *[NOTIMEX]* 17
President: People 'Only' Winner in Elections *[ACAN]* 18
President Gives Preelection Speech *[Guatemala City TV]* 18
Vice President Comments on Elections *[Guatemala City Radio]* 19
Prosecutor General Files Amparo Against President *[SIGLO VEINTIUNO 10 Nov]* 20
Prosecutor General Reports Death Threats *[ACAN]* 20

Vice President Regrets Attack on UN Mission *[Guatemala City Radio]* 21

Honduras

Presidency Denies Negotiating Over Army Chief's Appointment *[LA TRIBUNA 9 Nov]* 21
Armed Forces Chief Discua Interviewed *[Tegucigalpa TV]* 21

Nicaragua

Economist Views Government Plan *[LA TRIBUNA 29 Jun]* 23
FSLN Leader Henry Ruiz on Split, Alliances *[EL SEMANARIO 29 Jun]* 24

Panama

Minister Cited on 30 Nov Exploratory Talks With U.S. *[LA ESTRELLA DE PANAMA 7 Nov]* 27
DOD Contributions to Economy Reduced Over Next 3 Years *[LA PRENSA 7 Nov]* 27
Article Says U.S. Military Bases Causes of Conflict *[LA ESTRELLA DE PANAMA 13 Nov]* .. 28
President Declares 'War' on Opposition Sectors *[EL PANAMA AMERICA 8 Nov]* 29
President Denies Declaring War on Opposition *[LA PRENSA 11 Nov]* 29
President Files Suit Against Paper's Assistant Director *[LA ESTRELLA DE PANAMA 8 Nov]* 30
Daily Owner Writes to President Condemning Slander Bill *[EL SIGLO 10 Nov]* 30
ARI Administrator Views Sale of Reverted Property *[LA ESTRELLA DE PANAMA 13 Nov]* . 30

SOUTH AMERICA

Argentina

Defense Minister Reports Enhanced Security Measures *[NOTICIAS ARGENTINAS]* 32
Government Condemns Nigerian Executions *[TELAM]* 32
Economy Minister Announces New Tax Measures *[TELAM]* 32
Economic Secretary: IMF Goals Fulfilled *[TELAM]* 33
Defense Minister: Further Budget Cuts Unbearable *[NOTICIAS ARGENTINAS]* 33
Navy Commander: Budget 'Main Concern' *[TELAM]* 34

Bolivia

President, Paraguayan Leader View Natural Gas Purchase *[La Paz Radio]* 34

Brazil

President, Foreign Minister View USTR Decision *[AGENCIA ESTADO]* 34
President Recalls Envoy in Protest Against Nigeria *[AGENCIA ESTADO]* 35
Army Minister Coordinates Efforts Against Arms Smuggling *[AGENCIA ESTADO]* 35
Finance Minister Negotiates With Governors Over 'Funds' *[AGENCIA ESTADO]* 36
Paraguayan Officials Provoke 'Uneasiness' in Trade Talks *[AGENCIA ESTADO]* 36
Benefits of Membersip in ISO Council Viewed *[AGENCIA ESTADO]* 37
Editorial Views National Energy 'Syllogism' *[JORNAL DO BRASIL 5 Nov]* 37
Roundup of Economic Reports Through 13 Nov *[O ESTADO DE SAO PAULO 5 Nov, etc.]* .. 38

Chile

Foreign Minister: Ties With U.S. 'Never' Better *[EL MERCURIO 9 Nov]* 39
Socialist Leaders' Office Bombed *[LA TERCERA DE LA HORA 8 Nov]* 40
Labor Union Rally Ends With 3 Wounded, 13 Arrested *[Santiago TV]* 40
First Air Force Attache to Moscow Designated *[LA TERCERA DE LA HORA 10 Nov]* 40
Insulza Stresses EU Decision on Agreement *[EL MERCURIO 11 Nov]* 41

Chilean Envoy: Tax Reduction Threatens APEC Objective *[EL DIARIO 9 Nov]* 41
'Final Text' of Human Rights Bill *[EL MERCURIO 8 Nov]* 41
Reaction to PC Showing in Recent Elections *[Media Note]* 43

Colombia

Recent Terrorist Attacks Said Possibly Linked *[EL TIEMPO 5 Nov]* 44
Reportage on Presidential Candidate's Remarks, Proposal 46
Pastrana on Samper 'Legitimacy' Problem *[Santa Fe de Bogota TV]* 46
Liberal Party Head Rejects Pastrana Proposal *[Santa Fe de Bogota Radio]* 47
Liberal Directorate Head on Remarks *[Santa Fe de Bogota Radio]* 47

Ecuador

Pasailague Sworn In as New Education Minister *[Madrid EFE]* 48
Candidates Urged To Not Use Border Conflict in Campaign *[Quito Radio]* 48
Power Supply Normalized After Three Months' Rationing *[Quito Radio]* 48
Finance Minister's Economic Projections for 1996 *[EL UNIVERSO SUNDAY SECTION 29 Oct]* 48

Paraguay

New Interior Minister Interviewed on Priorities *[ABC COLOR 11 Nov]* 51
President Returns From Trip to Bolivia *[Asuncion TV]* 51
Foreign Minister Departs for Montevideo on State Visit *[ULTIMA HORA 10 Nov]* 52

Peru

Foreign Minister Views Peace Commitment With Ecuador *[Madrid EFE]* 52
Foreign Minister Analyzes Lima Convention Issue *[Madrid EFE]* 53
Reportage on 12 November Municipal Elections 53
Support to National Election Board *[EXPRESO 27 Oct]* 53
Election Results Nationwide *[Madrid EFE]* 53
Independents Triumph Nationwide *[Madrid EFE]* 54
Andrade Wins Lima *[Lima TV]* 55
Victory Seen as Challenge to Fujimori *[Madrid EFE]* 56
Andrade Biographical Data *[Madrid EFE]* 56
Fujimori Appoints Yoshiyama Minister of Presidency *[Madrid EFE]* 57
Regret Expressed Over Shutdown of OIGA Magazine *[EL COMERCIO 12 Oct]* 58

Venezuela

President Ends Visits to Argentina, Uruguay *[Caracas TV]* 58
Discusses Trade Ties With Uruguay *[TELAM]* 58
Cabinet Approves Budget Cut To Check Inflation *[EL NACIONAL 9 Nov]* 58
Government To Implement Measures To Lift Exchange Control *[Caracas TV]* 59
Energy Minister To Hold Talks With Oil-Producing Countries *[EL GLOBO 10 Nov]* 59

Argentina's Balza: Armies Conference 'Highly Positive'

PY1311185495 Buenos Aires TELAM in Spanish 1222 GMT 10 Nov 95

[FBIS Translated Text] Bariloche, 10 Nov (TELAM) — Lieutenant General Martin Balza, the Army chief of staff, today described as highly positive the 21st Armies of the Americas Conference (CEA), which will end its sessions today.

Balza told TELAM: "Our assessment is highly positive. Most of us agreed on the general challenges for our continent."

The Army chief of staff said "the struggle against drug trafficking, terrorism, and clandestine migrations are some of the next millenium's challenges" for countries in our region.

Balza explained that to fight "narco-terrorism, we, and specifically the Argentine Army, are operating within the framework of the current laws: The Armed Forces are not carrying out operations against" this scourge, but are "merely providing logistical support for the security forces."

The Army chief of staff also noted that "the peacekeeping forces (the UN 'Blue Helmets') issue was another very important aspect that was reviewed (by the CEA)."

Balza emphasized the "uncommitted judgments and openness" with which the sessions were held, "sessions that attempted to secure measures involving confidence and understanding."

Balza noted: "There was cooperation, mutual respect and an effort by the armies from all the countries, from Canada to the Southern Cone."

Asked if the budget problem troubling the armies had been reviewed during the conference, Balza said: "It was not officially reviewed during this military forum."

Balza emphasized: "The conference was used for holding bilateral miniconferences [miniconferencias] between various countries, allowing military leaders to enhance their relationships."

In this regard, Balza emphasized that the Argentine Army has achieved "many agreements and the exchange of students, visitors, and drills with various countries," among other issues.

Balza believes his counterparts "are leaving very satisfied with the way in which the conference has been held, as they told the president (Carlos Menem) and the defense minister (Oscar Camilion) today."

Balza, who is participating in this military conference for the third time, confirmed that Cuba's entry into this forum "was not reviewed" in Bariloche because "it involves a political issue; namely, our government's stance (on Cuba)."

The military delegations of the Americas will meet again this afternoon to sign the final documents and read the conclusions of the conference.

Central American Vice Presidents Close San Jose Meeting

PA1311132095 San Salvador DIARIO LATINO in Spanish 8 Nov 95 p 3

[FBIS Translated Text] The vice presidents of Costa Rica, El Salvador, Guatemala, Nicaragua, and Panama, and the presidential designate of Honduras closed the 25th meeting of vice presidents in San Jose, Costa Rica, yesterday. They presented to the international community a document containing different projects dealing with "Sustainable Border Development in Central America."

The two-day meeting was presided by representatives of the Secretariat of Central American Economic Integrationca (SIECA), the OAS, and the Central American Economic Integration Bank (BCIE), among others, who, along with the Central American vice presidents analyzed the sustainable development projects to be undertaken in the border areas of Central America. At the closing, the region's vice presidents expressed their support for the efforts to provide attention to the border areas, within the framework of sustainable development as a means to foster economic growth and raise the standard of living of the people who live in those areas. The vice presidents also reaffirmed their goal of making the isthmus a region of peace, freedom, democracy, and development by promoting a change in individual attitudes, which will in turn bring about the construction of a new political, economic, social, cultural, and environmental model.

According to Enrique Borgo Bustamante, moderator of the 25th Vice Presidential Summit, this plan will create and expand the social infrastructure and services such as schools, rural housing, water and sewer projects, and health programs which will benefit thousands of Central Americans who live along the different borders in the region.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Radio Commentary Criticizes U.S. Opinion on Emigrants

PA1311171395 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Nov 95

[Station commentary read by Norberto Hernandez; from the "Radio Havana Cuba Comments" segment of the "Evening Information Review"]

[FBIS Translated Text] Obviously upset by Cuba's successful rapprochement with its community of emigrants who reside in more than 35 countries, especially in the United States, official U.S. circles have criticized the Cuban Government for having authorized emigrants not committed with counterrevolutionary or criminal activities to freely visit their country of birth.

They allege this has been a half-way decision because it has excluded critics of the Havana Government. These officials did not think carefully and offered their criticism before looking at themselves in a mirror. It seems that the inventors of the Cold War, those who have always persecuted whoever does not yield to their political plans, those who have prevented, and still prevent, their own citizens from freely traveling to other countries, specifically Cuba, find it wrong for Cuba to protect itself from subversive and criminal elements who could take advantage of visits to the island to facilitate conspiracy and sabotage work.

Why do the Yankees believe that they do have the right to decide who may or may not visit their country but deny this right to the sovereign government of Cuba? No sensible person needs to hear this commentary to understand the Cuban Government's position toward its emigrants and its indignation in rejecting the imperialist criticism to which we are referring.

If in exercise of its sovereign rights, the U.S. Government prohibits someone from entering the United States, everybody should find that decision adequate and legitimate, but if it is the government of another sovereign state, such as Cuba, who adopts a similar decision in defense of its national interests, there are U.S. officials who feel they have the right to criticize the Cuban decision as something just short of being an anti-democratic action.

The prohibition contained in Cuba's measure does not refer to simple political opponents, since among those who have visited, are visiting, and will visit the island, there are many who differ ideologically from the revolutionary government and have been able to express this in Cuba. These people are neither political criminals nor delinquents, but citizens who want normal relations with their country of birth, citizens who want to listen to, and to express, opinions. They are people who love their country and understand how much good the Cuban Revolution has done the people and, as Cubans, they want to defend national independence and sovereignty from foreign meddling.

We Cubans reject with indignation this new attempt by the Yankee authorities to dictate to Cuba its own conception of what is a good government and democracy.

European Union Commission Concludes Exploratory Talks

PA1311150595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Nov 95

[From the "NTV" newscast]

[FBIS Translated Text] The European Union high-level commission will conclude today its stay in the island following three days of talks with important authorities of the Cuban Government and state. The delegation began exploratory talks with Cuba on Monday to define future relations between the two parties.

Foreign Ministry Spokesman on Robaina Trip, Talks With EU

PA1311194295 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Nov 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Foreign Ministry spokesman Miguel Alfonso has announced in Havana that Foreign Minister Roberto Robaina will travel to Venezuela on Sunday for an official five-day visit. He indicated that the Cuban foreign minister's agenda in the South American country includes meetings with his host, Foreign Minister Miguel Burelli Rivas, and other Venezuelan ministers. A meeting with President Rafael Caldera has not been ruled out.

In his usual news conference with local and foreign media, the Foreign Ministry spokesman described the talks between Cuban authorities and the EU delegation for a possible cooperation agreement between Cuba and the bloc formed by 15 European nations as frank and constructive. He explained that by decision of the two parties, the talks have been held in private. The last official meeting was held at noon today. The EU delegation is scheduled to leave tomorrow.

Cuba is the only Latin American country with which this bloc has yet to sign a basic cooperation agreement even though Europe as a whole is the island's leading trade partner and its main supplier of humanitarian aid.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Haiti

Aristide Speaks at Funeral Ceremony, Urges Disarmament

PA1411033895 Port-au-Prince Television Nationale d'Haiti in Creole 2200 GMT 11 Nov 95

[Speech by President Jean-Bertrand Aristide on the occasion of the funeral ceremony of Deputy Jean-Hubert Feuille in Port-au-Prince — recorded; monitored in progress; passages within slantlines in French]

[FBIS Translated Text] ...Honorable Deputy of Port-Salut, Saint-Jean du Sud and Arniquet, I unite with the prime minister, all the members of the government, the president of the Senate, the president of the Chamber of Deputies, all the senators, all your colleagues, the deputies, all the citizens who are here, who are in the country and who are in the 10th department; I doff my hat to you, give you all honor, all respect, all homage, and all the admiration and love you deserve.

I have received in your name all those who came to comfort your parents. I thank in your name all the fathers who are here, who have become God's voice to tell the truth, help us pray, and talk to the God of life. It is also in your name that I receive the international community, and it is in your name that I will embrace your mother, Odette, your father, (Lobis), your sisters, including Germaine Irelande and Nancy Nirva, for the special way your brother Yvon, called Jeanjean, who just spoke and made us proud of him and you.... [pauses] I do not forget to embrace the families Maurose, Vancol, Pierre-Louis, Menard, and I could not forget either — while standing here — to doff my hat in your name as a sign of congratulations, encouragement, and solidarity with your colleague Gabriel Fortune.

As your brother Jeanjean said one moment ago, you preferred to pass through one door in order to tell him not to pass through the same door. I talked to him this morning; he says you have passed away first, but he will keep doing the work you were doing. We have certainly come to tell you the same this morning. We have come to tell you that we will keep doing your work. I knew you when you were very young; you grew up, you joined with many other young men and women to ensure my security. Thank you very much for my security, which you ensured. Thanks to all your colleagues of the close security staff who were with you to ensure my safety.

Because of your patriotic feelings, when we left for exile, you members of the security staff were not afraid of coming back, even before 15 October 1994. I am proud of you, I am proud of you [repeats himself]. I thank you in the name of all Haitians who enjoyed the security you provided. It is thanks to this security that I am here.

I will keep working so other people can experience the security that you provided to me together with your friends and all other people who would like that to happen. I am encouraging all your colleagues to keep working without being intimidated, as they have already said in their own words. If you were alive, you would congratulate them, and I believe that you would be happy that I congratulate them in your name. The same congratulations are extended to all the senators who showed that they were not afraid and who kept working so the country can change.

Really, your mother, Odette, comforted me so I could comfort the country, and this morning I have come to comfort her. Dear Dedette [nickname for Odette], remember what you told me yesterday morning. You told me before Doudou [Deputy Feuille's nickname] passed away, while he was suffering, he told Gabriel Fortune and the other people who were there that the struggle must continue. Yes, the struggle will continue, not only in words but in actions as I am going to explain in detail right away, after a few words.

Jeanjean, allow me to tell you that I am proud of you, that your brother Doudou is proud of you. If some people here could take the microphone to tell you what they felt when they were listening to you one moment ago, they would tell you they are proud of what you just said as well. Those, who know you, know that you do not speak just for the sake of speaking but that you speak because of what you have lived through. You are sincere in what you just said. It is because you are guided by the spirit of life, the spirit of God, the spirit of strength, the spirit of Dessalines, Toussaint Louverture, and Charlemagne Peralte that you spoke like that. Thank you.

I am telling many other people who believe in what you just said to remain steadfast and not to give up. Deputy Gabriel Fortune ended a big interview he gave with a word that we cannot forget. He said that the people must continue the struggle. Well, Doudou, I have come to tell you, you have passed away first, but we will continue the struggle.

I would like to give details on a few words so we can continue the struggle in action, in peace, and for peace. They are orders that I already have given and that I am going to give again now.

I have ordered the Haitian police to carry on with the disarmament operation. Solemnly in the presence of God, in the presence of Doudou, in the presence of you all, I have come to give the same order to all Haitian

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

policemen: Everywhere in the country, continuously, in light of the law, I command you to disarm all criminals so as to end up with legal, complete, and total disarmament. [applause]

Haitian policemen, Haitian policemen who are listening to me throughout the country, I am reminding you that until further notice there are not two or three heads of state, but just one. [applause] The head of state has spoken. [applause] The head of state has spoken in concerted action with the prime minister and all the members of the government. In the morning of the day before yesterday, in the Council of Ministers, we made this decision which we have presented to you as an order: You began disarmament when you went to the houses of several people, such as General Avril. I congratulate the policemen for the grand work they managed to do with few means.

I followed you at night on the radio, I followed you on the radio so I could see how you operate and you operated well. Keep doing that. However, I am telling you: You will find people who will try to slow you down, to discourage you, and to block you. I order you to arrest anyone who wants to block this legal, total, and complete disarmament operation if he is a Haitian. [applause] If he is not a Haitian [applause], if he is not Haitian [applause], if he is not Haitian, we will send him back to his country. [applause]

Haitian policemen, Haitian policemen, Haitian policemen, all of you without distinction, disarm people with the law in your hands. [applause] Before I returned to the country on 15 October 1994, before I returned to the country on 15 October 1994, we discussed the issue with the international community and signed an agreement. According to this agreement we signed with the United Nations, it is clear that it is us, Haitians, who are entitled to do the disarmament with the help of the international community.

While trying to do it.... [pauses] It is curious to observe what I am going to tell you now. When the legislative elections were being held, the Justice Department discovered that a former deputy was involved in burning down a house that was going to be used as a polling station. He was arrested. Several voices in the international community were raised to ask: What is going on? When they killed Doudou, how many asked: What is going on? [applause]

The head of state says he is there to respect the rights of everybody without distinction. [applause] The heavy weapons of the international community are there to accompany the Haitian policemen who must disarm all criminals, all terrorists, and all extremists. [applause] [words indistinct] [applause] We respect everybody. We are not afraid of anybody [applause], and we will continue to respect everybody and to have everybody respect us. In view of the body of our brother who was killed, I have come to say in the presence of God that we will provide security to all Haitians when nobody prevents us from disarming criminals who cause insecurity to continue (?to prevail) in the country. [applause]

If there were not overtolerant people, there would not be thieves. /We want peace, we are working for peace. Peace will reign in Haiti. This is how today, shot through by the arrows of distress, and with an open heart to receive all those working for peace, we say once again: Peace must reign here. So this peace can reign, there must not be accomplices. I cultivate respect and patience toward all. I have made my way for one year before speaking these words today. Today, in the name of this assassinated deputy, I have come to give orders. [applause] In calm, but in firmness, in respect and dignity, I order all of us, including Haitians and the international community, to move so disarmament can be total and legal. [applause]

/The month of November 1995 must be a month of peace, a month of success. So the month of November 1996 can be a success also in the United States, this month must be a month of total and complete disarmament. [applause]

/Gratitude is the heart's memory, we said more than once. We are grateful to our friends, to those who helped us restore democracy in Haiti. It is certainly a success, but blood is being shed. Weapons continue to mar this success. The more we move with them hand in hand in light of Resolution 940 [of the UN Security Council] the more this success will be meaningful and dazzling. The most meaningful speaker in the world is success. May this success be total, and it will be so when those who have weapons but are protected by other weapons see that the Haitian police [applause], assisted by the international community, take these weapons back./

You, Haitian people, as Doudou's brother was saying one moment ago, have your own role; you have your own duties. So this disarmament operation can continue throughout the country, I ask the Haitian people for the following: Do not sit idly by, do not wait; accompany the policemen when they are going to enter the homes of the people who have heavy weapons, give them information, do not be afraid of them. When you do that, tell the policemen not to go only to the poor neighborhoods, but to go to the neighborhoods where there are big houses and heavy weapons [applause]. The game of hypocrisy is over. Too much blood has been shed in the country. Both the rich and the poor,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

everybody, must find peace. For this to happen, we must rid ourselves of the big men with heavy weapons.

/May we not be cowards. May we not be hypocrites. May we be respectful but true, and everybody will take advantage of this peace. It is time for both the rich and the poor, the men in high places as well as the poor, to enjoy this peace. It is necessary that cars stop killing people in the streets./

Haitian people, I have come to ask you for that today. From now on, whenever a car passing in the streets shoots at another car, other cars must park in the way so as to block it. No distinction. no matter whether the victim is Mireille Durocher Bertin, no matter whether he is Mayard, no matter whether he is Doudou, once there is a gunshot in the streets, you must stop this car [words indistinct].

/I am the head of state in charge of the safety of each Haitian. [applause] I want, I want, I want, and I can. I want and I can. [applause]/ It is over, it is over, it is over. I want and I can. It is over.

I ask the people in cars, if a car with criminals in it shoots at somebody in the street, to stop your cars, and those who are not in a car to stand in the way [words indistinct]. It is over, it is over.

/When we pray to God, He asks us to act because God is peace and it is up to us to actualize this peace. When we pray to God, He is justice, but it is up to us to incarnate this justice. May there be neither cowards nor hypocrites, but men and women capable of giving themselves so this peace can reign in Haiti. It is over. Otherwise, Doudou will have died for nothing, and others will die also. Neither demagoguery nor hypocrisy. My power is your power. Your power is my power./ Without you, I am nothing. With you, we can. [applause]

If those who have weapons, those who have big armored tanks, those who have much power wanted to help us to disarm [words distinct] disarmament would have been done.

Today, it is our turn. Today, it is the turn of us Haitians. Today, it is our turn. This is why when I ask the police to obey the orders I give, I ask you, Haitian people, to obey the orders I give you as well. [applause] Give the policemen information, give the police help, give a hand to the policemen. They do not have many heavy weapons, but they have goodwill. They went to Avril's home and went again to Avril's home. We are not afraid of anybody. But they will not be afraid of anybody when they see that we are not afraid either.

They killed Doudou in order to intimidate us. The matter of intimidation is out of the question. [applause] They killed Doudou so we would quiet down. Quieting down is out of the question. They killed Doudou so we would go into hiding. The matter of hiding is out of the question. Freedom or death! Freedom or death! Freedom or death! Freedom or death! Freedom or death! Freedom or death! [applause]

/I am the head of state. [applause] I must give security to all Haitians without distinction. I want and I can. [applause] I am the head of state. I am the head of state. I must give security to all without distinction. I want and I can. [applause] Do not be afraid of me, come to me. [applause] Do not be afraid of us, come to us. All, all without distinction./

Today, after we finish paying homage to Doudou, we are going to execute the orders I have given. We will execute all these orders as a tribute to all senators and deputies. It is not a question of sitting idly and waiting for the foreigners to give us security. [applause] If we respect ourselves, we must roll up sleeves, pick up our Constitution, pick up our law, and support our policemen to prevent zenglendos from killing people. Then, the foreigners will help us; they will see that we have dignity and that we have assumed our responsibilities. Then we will feel that we are twice, three times, and four times more proud. There must not be either hypocrisy, cowardice, or fear.

/It is over. It is over. [words indistinct] spirit of freedom, this freedom for which many of our heroes were assassinated. Doudou is one of our heroes. In his name, I have come to renew my willingness to move jointly with the international community in mutual respect so the success we achieved together can be a success in the United States as well as in the other countries and here in Haiti next year at the same time. [applause]

/The friendly countries very often ask us what we want. Friends of the international community, today, the Haitian people through me have told it to you: We want your help, your cooperation, and we are going to respect you, to move with you so the disarmament can be done. We will thus pay an emotive, (?historic) homage to Doudou while protecting the lives of the other deputies, senators, and citizens. Otherwise,/ we will come here again crying and complaining when another one is killed. [applause]

/Dear friends of the international community, I know you need me just as I need you. I know that many of you would not like these deaths, these assassinations to occur. Count on me and show me that I can count on you.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

/It is the first time that I have spoken like that since my return to Haiti. [applause] I need you, you need me, count on me, and show me that I can count on you. [applause] We have a challenge to take up together. Our credibility on a planetary scale is at stake. Our credibility in front of the world is at stake. Prime Minister Yitzhaq Rabin has been assassinated, and the international community expressed its determination to work for peace. It is beautiful, it is great. Let us do the same here in Haiti. It is not too late. It is just late, but not too late. It is not too late.

/We thank you once again for having accompanied us up here. But I will thank you even more when I see you accompanying our policemen and the Haitian people so this disarmament can become a reality. Doudou, go in peace; we will continue the work. For the country, for the homeland, to die is beautiful./ [applause]

Prime Minister Decries 'Gangster-Like' Demonstrators

PA1411045495 Paris AFP in Spanish 2220 GMT 13 Nov 95

[FBIS Translated Text] Port-au-Prince, 13 Nov (AFP) — Prime Minister Claudette Werleigh today decried the "gangster-like actions" pro-government demonstrators carried out on 11 and 12 November and urged those who want to cooperate with the disarmament to respect the citizens' activities.

Demonstrations favoring the disarmament of the so-called "Macoutes" (former members of the Duvalier militias) and the allies of the toppled military regime ended up in riots and looting on 11 November in Port-au-Prince, where an alleged neo-Duvalierist was lynched by the demonstrators. The unrest spread to northern Haiti today.

In a meeting with the media, the prime minister urged those who want to cooperate with the disarmament not to replace the police, but to "help it by indicating to them where the weapons are hidden and by causing the conspiracies to fail."

Hours earlier, President Jean Bertrand Aristide also decried the "excesses and infiltrations" and recalled that the disarmament must be done "in cooperation with the National Police and with the consensus of the international community."

During a speech delivered on 11 November in Port-au-Prince on the occasion of the funeral of a friend and deputy murdered on 7 November, Aristide had appealed to a "complete, legal, and major" disarmament of the armed gangs throughout the country.

The demonstrations started on 8 November in Cayes (southwestern Haiti), following the lynching of a neo-Duvalierist that took place after the parliamentarian's 7 November murder.

Government Asks 'Avenger' Groups To Halt Illegal Searches

PA1411042395 Madrid EFE in Spanish 0015 GMT 14 Nov 95

[By Herold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 13 Nov (EFE) — Haitian authorities asked today that groups of youth stop taking the law into their own hands by searching cars and citizens for firearms.

Haitian Prime Minister Claudette Werleigh warned that inhabitants cannot try to replace the police, which have been entrusted with a disarmament plan.

The UN Mission in Haiti (UNMIH) will cooperate with the Haitian Government in the disarmament process announced by President Jean-Bertrand Aristide this weekend.

Activity by popular organization groups has stepped-up following the murder of Deputy Jean Hubert Feuille, linked to the Lavalas Political Organization (OPL).

"This government wishes peace and security. In no way can it accept disorder and actions by bandits," Werleigh said in a news conference after meeting with Lakhdar Brahimi, representative in Haiti of UN Secretary General Butrus Butrus-Ghali.

Brahimi told the Haitian prime minister that the United Nations is willing to cooperate with the police, which is something President Aristide was awaiting with a certain anxiety.

Aristide stated that recent outbreaks of violence by groups of youths with the excuse of cooperating with the authorities, could be by sectors "that have infiltrated" popular organizations to "destabilize the country."

The Haitian authorities today canceled all permits to bear weapons due to the worsened social situation.

The National Police issued a communique stating that weapons cannot be carried in the country and requested inhabitants to cooperate with the authorities and remain calm.

Haiti has seen itself involved in fresh popular disturbances following Deputy Feuille's murder in an incident that left another legislator wounded. Feuille had been President Aristide's bodyguard.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Groups of youths seem to have taken over as "avengers" and have erected barricades, burned tires, and searched citizens for weapons in Gonaives, Cap Haitien, Carrefour, and certain areas in the capital, Port-au-Prince.

Businesses and schools were closed today in Gonaives, where the homes of several people allegedly close to the military were set on fire. Meanwhile, a tense situation was reported in Cap Haitien.

In the capital, groups of youths could be seen searching cars and homes in a hostile manner.

Hotel "Le Voyageur," in downtown Port-au-Prince, was set on fire on Sunday after its owner was accused of belonging to Duvalier's repressive corps, the "Tonton Macoutes."

The disturbances took place with the start of the 17 December election process to choose Aristide's replacement.

The term expires on Wednesday to register the candidates for president.

Some political commentators have said that there is uncertainty as to the true possibility that these elections can be held on the date specified in view of the fact that the time allowed for the various stages of the electoral process is too short.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

President Congratulates Victorious PRI Candidate

PA1411040295 Mexico City NOTIMEX in Spanish 0134 GMT 14 Nov 95

[FBIS Translated Text] Mexico City, 13 Nov (NOTIMEX) — President Ernesto Zedillo asserted today, that the local elections — held in six states last Sunday — confirmed the strength of the party system and signified an advancement for democratic development.

The president reiterated that his government will work together with all the elected authorities and will back their programs to give new force to the development of the states.

A communique reported that President Zedillo had congratulated Victor Manuel Tinoco Rubi, the Institutional Revolutionary Party (PRI) candidate for the Michoacan government, by telephone, for his virtual victory in the elections held in that state.

At the same time, the president congratulated the citizens, the participating candidates, and the electoral authorities in the other five states and Mexico City where, in addition, 119 deputies, 556 mayors, and 365 city counselors were elected.

The president reiterated his government's will to advance, backed by the Constitution and the laws of the Republic, to a new and effective federalism that will promote comprehensive development of the country.

Deputies Chamber To Insert Contingency Fund

PA1211005295 Mexico City LA JORNADA in Spanish 9 Nov 95 p 47

[Report by Elena Gallegos — all quotation marks are published]

[FBIS Translated Text] The Chamber of Deputies is currently negotiating with the Finance and Public Credit Secretariat in order to have the federation's expenditures budget decree include, for the first time, a special item to be used in dealing with all financial contingencies that could take place like "speculative bubbles," such as the one the country is currently undergoing, up to international economic*shocks*, to any decline in the price of crude oil.

In addition, and according to information disclosed by Deputy Antonio Sanchez Gochicoa, president of the Programing and Budget Commission of the Deputies Chambers, a provision will also be included in the budget decree whereby the federal government will be required to advise congress about those cases where the contingencies alluded to may entail major budget adjustments. Congress in turn will be responsible for evaluating, expressing an opinion and modifying those budget items where cuts are to be introduced. The Federal Government will also be required to include detailed information when funds are to be used to deal with natural contingencies [contingencias naturales].

On the other hand, it has been leaked that during a Tuesday night meeting between Finance Secretary Guillermo Ortiz and PRI [Institutional Revolutionary Party] deputies — which lasted until nearly midnight — the finance minister may have commented on the likelihood of a rejection of a proposal announced a few weeks ago by Pedro Noyola on transferring assessment authority to the states so that each local congress may be allowed to decree additional gasoline consumption taxes. The previously mentioned proposal had not been well received by the state governors who forecast a major popular rejection of the initiative.

Therefore, it is being said that the Expenditures Budget, the Revenue Law Initiative, and the Economic Policy Guidelines for 1996 will be delivered to the San Lazaro Legislative Palace by the finance minister this coming Tuesday. The deadline stipulated by law expires on Wednesday 15 November.

The cost involved in carrying out budget adjustments is comparable to the GDP of San Luis de Potosi.

During an interview, Deputy Sanchez Gochicoa explained that the agreement, which includes latest figures on budget cost adjustments deriving from 1995 economic contingencies, amounts to 1.3 percent of the GDP which is equal to 22 billion nuevos pesos, an amount equivalent to the GDP of San Luis de Potosi.

With respect to the current economic situation, Sanchez Gochicoa believes that what we are dealing with is a "speculative bubble" such as the one the country experienced during the month of March, and that there are no severe economic ingredients behind all the turbulence taking place in the country's financial market. In other words, the measures adopted by the Zedillo administration "have been adequate."

The deputy is confident in the fact that just as the same thing occurred during the first months of the year, on this occasion it will also be possible to "break that bubble," and insisted that "there are no serious economic reasons that can account for this situation: We have a public finances in equilibrium, a historic surplus in our trade balance, no deficit in the current account, and fix interest rates; for this reason the situation originates from purely speculative aspects."

Afterward the deputy added "I do not know what else can be done. Ever since the current administration came to office there has been consistency and agreement with respect to the economic policy. If one analyzes the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

background of the members of the economic cabinet, it is possible to conclude that consistency will continue, and that these men will not change or shift which will only serve to cause uncertainty. At any rate, we must acknowledge that there are exogenous ingredients that are causing an impact."

The president of the budget commission called attention with respect to reforms to the pension system which will tend to strengthen domestic savings and that this should be taken as another sign of confidence. However, he acknowledged that confidence is something very subjective and can only be earned through consistency and reliability, two features of the economic policy already in effect.

In reply to the reporters' questions, the legislator noted that those exogenous factors have affected the economy, "we do not yet know what happened in 1994, who assassinated Luis Donaldo Colosio; perhaps if those doubts start to be dispelled we will move forward firmly."

The PRI deputy regretted that now that the outlook had began to improve gradually ["como tocando por nota"] there are again strange developments that have negative impact. He reaffirmed: "The presidential report, which announced the first signs of recovery, was followed by speculation and the markets were again disturbed and this has led to restrictive measures."

As for the possibility of adopting preventive budget measures to face financial eventualities, he pointed out that it is virtually a given that a provision to fight speculation will be added to the articles of the decree that will be presented to the legislators on 14 November. The idea is to inform the Congress and allow it to modify the budget adjustments they will produce.

ARE Spokesman Denies Establishment of Exchange Controls

PA1211023495 Mexico City XEW Television Network in Spanish 0400 GMT 9 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Despite the financial commotion, Mexico will not establish exchange rate controls, Alejandro Valenzuela, spokesman for the Alliance for Economic Recovery, ARE, said on 7 November. He noted that the Exchange Protection Fund, which will be announced in upcoming days, will not be a pretext to change the free floating peso system, which will continue to be in force:

[Begin Valenzuela recording] We are not directly or indirectly suggesting establishment of exchange rate control measures. That is simply nonexistent. [end recording]

During his weekly news conference, the ARE spokesman pointed out that there is no reason or economic logic to explain the nervousness that prevails on the financial markets:

[Begin Valenzuela recording] The only thing we can do is to remain calm; we must continue to persevere; our economic foundation will help us achieve greater stability soon. [end recording]

Alejandro Valenzuela announced that the reference rates [tasas de referencia] used to estimate banking interests grew by nearly 12 percentage points. The Tiip [Average Inter-Bank Interest Rate] reached 59.65 percent and the equilibrium rate, the Tiie [Inter-Bank Equilibrium Interest Rate] reached 59.75 percent:

[Begin Valenzuela recording] If we had not increased interest rates volatility would have been higher than what we experienced on this day. [end recording]

Mr. Valenzuela noted that interest rates will drop and certitude will grow as the ARE starts to yield results. He announced that, after the payment that will be made on 9 November, 94 percent of the value of Tesobonos [Treasury Bonds] in circulation as of December will have been amortized and little more than $1.5 billion will come due later.

Exporters Postpone Currency Rescue Fund

PA1311155895 Mexico City EL FINANCIERO in Spanish 9 Nov 95 p 5

[Report by Herminio Rebollo Pinal, Alicia Salgado, and Victor Gonzalez — all quotation marks as published]

[FBIS Translated Text] The country's main exporters decided to call off a proposal to establish a trust fund to rescue the Mexican peso as it had been originally drafted and are instead evaluating, together with government authorities, a new mechanism that would provide more confidence and transparency to the currency market while at the same time help to counter speculative attacks against the national currency.

There is confidence that the new proposal will be ready by the beginning of next week. Banking sector sources consulted by EL FINANCIERO pointed out that talks to establish the exchange stabilization trust fund "have not been interrupted."

They added that several crucial details are still pending and that it will take a few more days before a proposal is ready. "There is confidence that the new proposal will be ready by the beginning of next week."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Directors of subsidiaries of U.S. banks in Mexico expressed their skepticism with respect to the "alleged benefits of the trust fund" to stabilize the exchange markets claiming that in addition to dealing with too small an amount, the mechanism proposed "could turn out to be an exchange control even if it is not called by this name."

The foreign trade firms that have been meeting regularly since this past Friday in search for options to strengthen the peso were able to attract nine additional companies during the past days. However, objections that have been rising within and outside the country have so far prevented the concept from crystalizing.

It is well known that doubts and obstacles have not only originated from local trading firms and brokers, but also from U.S. financial authorities such as the Federal Reserve, as well as other multilateral organizations that have begun to question the proposal's suitability.

Among other objections, some sources "more papist than the pope" pointed out that the emergency fund was too similar to a currency exchange fund and that it would only serve to restrict the ability of firms that generate currency from freely using their U.S. dollars.

It has also been mentioned that the fund implies a return to the use of a parity band since someone will ultimately have to decide at what quote the rescue fund will begin to operate.

In light of this, exporters together with officials from the Finance Secretariat, and Bank of Mexico are jointly seeking a more transparent solution that will leave no space for doubts, and will turn out to be equally effective.

Participants in the high-level meeting stressed the importance of taking advantage of everything that had been done during the past few days which, without even having to "lobby" for support, has prompted new advocates of the fund to join the talks.

Thus, firms such as Grupo Villacero and Dyna have been requesting information with respect to joining an initial group of companies that include Carso, Alfa, Visa, Vitro, Grupo Mexico, Penoles, Desc, Cemex, Kimberly Clark, AHMSA [Mexican Steel Mills, Inc], Femsa, and Cydsa.

It should be explained that those firms that have been advocating the emergency fund project since the beginning, also requested a revaluation of the amount each would be willing to contribute, which has serve to increase the initial total amount estimated at $2 billion, and does not include amounts to be contributed by banking sector and the government.

Thus, supporters of the initiative to adopt measures to counter the tremendous speculation that has been unleashed against the Mexican peso insist that interest to contribute specific amounts has not decreased, and that changes being called for are only related to the way in which the contribution will take place.

On the other hand, Tomomi Taguchi, general manager of the Bank of Tokyo contends that in order to stabilize the exchange market "the government must adopt concrete measures aimed at reestablishing financial sovereignty since a significant amount of foreign trade transactions carried out by Mexican and foreign firms operating in Mexico are done through U.S. banks as well as outside the national territory."

He pointed out that if limits are not placed to this practice, the structure of the Mexican banking system will undergo more damages, and the country's international reserves will continue to be vulnerable.

In contrast, U.S. and French bankers commented that "any attempt to impose limits to the ability of trading firms to carry out exchange and leverage operations related to either buying or selling currency by having them first list the transactions, would be tantamount to establishing exchange controls and illogical in a system where flexible parity prevails."

They added that, as relates to intermediation practices, whatever advantage was gained by U.S. banks over their Mexican counterparts during this year of crisis was due to the poor quality of services and high cost of loans in Mexico, which for exporting purposes, only serves to cancel out many of the advantages exporters obtain from revenues in U.S. dollars."

In this context they pointed out the possibility of seriously considering the opening of U.S. dollar accounts in Mexico.

Contingency Fund

On the other hand, Antonio Sanchez Gochicoa, president of the Chamber of Deputies Programing and Budget Commission, announced that a special item will be included in the 1996 Expenditures Budget not only as a contingency fund to deal with natural disasters (earthquakes, hurricanes, drought, and so forth). It will also serve to deal with speculative "bubbles" that may attempt to undermine the pesos' parity with respect to the U.S. dollar, interest rates, foreign *shock*, or any fall in the price of crude oil.

He contends that in light of this, the government will first have to advise Congress about the budget adjustments to be adopted, and then authorize the necessary budget cuts required to transfer resources.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

So far, the commission president explained, the budget percentages to be assigned to the contingency fund item are being evaluated.

Business Sector Demands Immediate Interest Rate Reduction

PA1311182595 Mexico City EL FINANCIERO in Spanish 9 Nov 95 p 7

[Report by Leticia Rodriguez, Isabel Becerril, and Lourdes Gonzalez]

[FBIS Translated Text] The country's business sector has demanded an immediate interest rate reduction considering that current private bank rates seriously damage the economy of the productive sector and represent a threat to the survival of many companies.

While representatives of the business sector leadership believe it is not necessary that the economic cabinet resign, industrialists who "call themselves" opposition, such as Pedro Salcedo, President of the National Processing Industrialists Association (ANIT), have demanded the immediate resignation of those officials, who have done nothing but destroy the nation, and warned that they may stop making payments.

Hector Larios Santilla, president of the Business Coordinating Council (CCE), has said that it is necessary that economic measures agreed on for the purpose of producing economic reactivation be backed by clear signs, so the people may feel a recovery in their pockets. This is most urgent right now.

Larios said that actions established by the Alliance for Economic Recovery (APRE) will not yield fruit overnight or resolve problems that have existed for the past 10 months because the productive sector and society are burned out.

Interest rate hikes not only have served to put enterprises out of business, but in most cases they have become the last straw.

Larios affirmed that rumors and speculation against financial markets are aimed at destabilizing the country and urged all sectors to change the negative attitude that has prevailed in recent months for confidence in the country because this confidence added to assurances are the most needed.

Meanwhile, the president of the Confederation of Industrial Associations (Concamin), Victor Manuel Diaz Romero, spoke in favor of stopping volatile investments. He said that if speculative capital circulating in the world were to be tagged a 0.5 percent tax, this would produce $160 billion, and for this reason measures must be adopted at the international level.

Diaz Romero rejected the idea of the country's industrialists declaring a suspension of payments in reaction to the drastic interest rate increase. "We will never declare a moratorium," he said.

Regarding instability in the financial and exchange markets, Diaz Romero said the government must support our currency with reserves.

He noted that it is true there are problems of a political nature and that they must be corrected but rejected that this is the cause of economic instability, even if there is a struggle for power.

Diaz agreed with the CCE president in saying that it is necessary to clear political assassinations because this will help recover trust and confidence in the country and is part of the positive signs that society demands.

Interviewed at the World Trade Center for the "Federal District Exports" program, the leaders of CCE and Concamin said they believe that the cabinet does not have to resign but to work efficiently and consistently to produce recovery and avoid speculation, which hurts the national economy.

Victor Manuel Terrones Lopez, president of the National Association of Manufacturers, explained that the banks' interest-rate hike weakens the manufacturing sector.

He explained that the idea of increasing interest rates to attract capital is having costly results because the productive sector is being depleted of capital.

He said that if this tendency continues, it will be impossible to reach APRE's goals: A 20 percent inflation rate in 1996.

It is urgently necessary to establish guidelines to reduce interest rates, otherwise the inflation rate will increase too much, he said.

Carlos Sandoval Olvera, president of the National Council of Ecologist Industrialists [Consejo Nacional de Industriales Ecologistas], said that as long as interest rates do not drop to a 20 percent level, no project will be viable and projects "will remain at a standstill" in Mexico.

The president of ANIT said that with its bank-interest-rates measure the government will force the industrialists to declare a "payment moratorium" for lack of liquidity.

In Acapulco, the country's export sector urged the government to establish a program to protect the peso and demanded the intervention of the Bank of Mexico to keep speculation from provoking a new devaluation.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In the face of the new technical devaluation of the currency, the National Association of Importers and Exporters of Mexico has demanded the establishment of incentives for direct investments and a halt to the departure of capital in portfolios.

Senate Approves Reforms To Detect Money Laundering

PA1311194495 Mexico City NOTIMEX in Spanish 0919 GMT 10 Nov 95

[FBIS Translated Text] Mexico City, 10 Nov (NOTIMEX) — The Mexican Senate has approved a package of financial reforms, including those aimed at preventing and detecting money laundering activities.

The package, which was submitted by the Finance and Public Credit and Credit Institutions and Legislative Studies Commissions, was approved 104 to 23.

Natividad Jimenez Morales, senator for the opposition National Action Party (PAN), talked about the need for the reforms to classify money laundering as a crime and not be limited to "timid" administrative sanctions.

The changes approved this Thursday allow the National Banking and Securities Commission to review contracts between financial institutions and their clients as well as to resolve controversies among the parties involved.

According to the changes, the Finance and Public Credit Secretariat, in the opinion of the National Banking and Securities Commission, may adopt measures to prevent and detect money laundering operations in the financial system.

The approval of the reforms is an alternative for the strengthening of the capitalization of financial intermediaries and for enhancing the participation of the Bank of Mexico in the operation of the [incomplete sentence as received]

The decree adds and drops provisions from the laws on Credit Institutions, the Stock Market, Credit Organizations and Auxiliary Activities, Mutual Insurance Institutions and Corporations. The decree also makes changes to the laws on Federal Deposit, Bank of Mexico (central bank), and the Federation's Treasury Service.

PRI Found Leading for Michoacan Election

96CA0038A Mexico City REFORMA in Spanish 3 Nov 95

[Received via Internet]

[FBIS Translated Text] **PRI Ahead in Michoacan**

A poll shows that PRI [Institutional Revolutionary Party] has the lead in the elections to be held in Michoacan on 12 November, followed very closely by the PRD [Party of the Democratic Revolution] candidate, Cristobal Arias. The poll was conducted among 1,000 registered voters by the newspapers REFORMA, EL NORTE, AM (Leon), and LA PIEDAD (Michoacan).

If the election for governor were being held today, for what party would you vote? (percent) (no undecideds)

Candidate/Party	October	September
Victor Manuel Tinoco, PRI	42	48
Cristobal Arias, PRD	31	26
Felipe Calderon, PAN [National Action Party]	26	26
Others	1	—

Do you know the name of the gubernatorial candidate nominated by...? (percent)

Candidate/Party	October	September
Victor Manuel Tinoco, PRI	68	54
Cristobal Arias, PRD	61	46
Felipe Calderon, PAN	36	47
Others	8	—

Are you confident, or not, that the elections will be clean? (percent)

Response	September	October
Not confident	49	44
Not sure	12	11
Confident	39	45

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

How likely do you think it is that there will be conflicts between the political parties over the results of the elections for governor? (percent)

Response	September	October
Very likely	39	27
Somewhat likely	26	29
Not very likely	14	21
Highly unlikely	17	12
Not sure	4	11

Methodology: 1,000 interviews were conducted in the State of Michoacan between 27 and 30 October 1995. The poll is representative of the state. The sample included 86 towns around the state. This was a probability sample, by stages, based on a stratification by size of the towns.

PRD Claims Opposition Lead in Michoacan

96CA0040A Mexico City REFORMA in Spanish 4 Nov 95

[Article by Gerardo Mejia: "Opposition Rejects Poll"; received via Internet]

[FBIS Translated Text] The PAN [National Action Party] and the PRD [Party of the Democratic Revolution] have rejected the results of the poll that REFORMA published on the Michoacan elections.

The survey made public on Thursday the 2d showed PRI [Institutional Revolutionary Party] ahead with 42 percent of the 1,000 persons polled, followed by the PRD with 31 percent and PAN with 26 percent.

PAN's national director of electoral processes, Jorge Manzanera, said that voters are apprehensive about responding to a house-to-house poll, fearing reprisals.

The PRD leadership issued a press release citing the poll conducted by the newspaper CAMBIO DE MICHOACAN, which showed two out of three voters favoring the opposition; the party says that they trust it.

Poll Conducted on New Economic Measures

96CA0041A Mexico City REFORMA in Spanish 31 Oct 95

[Unattributed article: "Gasoline, Electricity Price Hike Rejected"; received via Internet]

[FBIS Translated Text] A poll conducted among 500 residents of the Federal District showed support for the Alliance's measures, except the hike in energy prices.

Do you agree or disagree with the following measures that were taken when the Alliance for Economic Recovery and Jobs was signed? (percent)

Measure	Agree	Disagree	Not Sure
10 % rise in minimum wage as of 4 Dec and another 10 % in Apr 1996, making 21 % in all	54	45	1
7 % increase in gasoline and electric power prices as of Dec, plus 6 % in Apr and 1.2 % a month throughout 1996, making a total of 29.4 %	4	96	0
Suspend several taxes on business	60	35	5
Keep VAT [value-added tax] at zero for medicine and processed foods	92	8	0

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Measure	Agree	Disagree	Not Sure
Abolish the tax on new cars	52	41	7
Apply 15 % of the VAT only to real interest on credit card debt	49	42	9

What do you think of the announcement of the Alliance for Economic Recovery and Jobs? Do you feel that this time they will deliver, or is it just more talk?

Response	Percent
It is just more talk	73
They will deliver	18
Not sure	9

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

El Salvador

Deputy Views 'Uncertain' Situation of Citizens Abroad

PA0911140095 San Salvador Radio Cadena YSU in Spanish 1800 GMT 6 Nov 95

[Report by Douglas Mejia from the "YSU Radio News" newscast]

[FBIS Translated Text] The situation of the thousands of Salvadoran immigrants in the United States continues to be uncertain although a mass deportation has been ruled out and efforts continue to be made to give them legal aid, through the ABC Program. This has become evident because the efforts made by Salvadoran legislators to try to stop a new Republican motion, which imposes serious migratory restrictions, were in vain.

Arena [Nationalist Republican Alliance] Deputy Rene Figueroa is totally confident that the work being done by the Salvadoran Embassy in that North American country is positive.

[Begin recording] [Figueroa] I have kept a close watch on the development of the proposals, such as the one presented by [Lamar Smith], to reform the immigration law. We are waiting to see what will happen because we have indications that the approval of those reforms in the U.S. Congress was imminent. We, on our part, are simply doing what we can in this respect.

[Mejia] We have heard reports that this proposal has already had an impact, specifically, in the legal counsel being given to the immigrants. What information do you have in this respect?

[Figueroa] Well, we believe we can continue to give them legal counsel for the time being. It is a legal, judicial battle. We must remember that we can wage this battle and find convincing arguments. Arguments are presented and we have to find good counter arguments. We are not asking for anything illegal. We are simply trying to help, advise, and guide through legal counsel the thousands of fellow citizens so they can [words indistinct.] The legal battle is not lost. We have until 31 January. [end recording]

However, Guadalupe Martinez of the Democratic Party, maintains that the deputies have to strengthen their diplomatic efforts to counter a situation she believes has become more difficult for the immigrants.

[Begin recording] [Martinez] We have to have the necessary information. My proposal, which should be broached and discussed at the foreign commission today, is that one or two deputies travel unofficially to the United States to find out how the legislative motion has advanced. It seems the proposal is getting more stringent to curtail the presence of illegals in the United States and practically cuts off the procedures initiated by immigrants who are already in the United State to request permanent residence in that country. Until we can form our own opinions on this issue we are going to continue to slip like we have been doing during the past months.

[Mejia] [words indistinct] congress sent a letter to try to stop the new Republican motion that includes further migratory restrictions for the illegal immigrants. Do you think this new motion has advanced?

[Martinez] Look, the letter was sent by the foreign commission but this action was practically too late. The situation in regards to this issue, especially in the U.S. parliament and the senate, is very unfavorable and the letter did not cause a great impact. What I mean to say is that we, the representatives of the Salvadorans, have done very little to help try to stop the mass deportation. [end recording]

Although Republican Pete Wilson's Proposal 187 plan was ultimately frozen in the United States, other congressmen, who have his same line of thought, such as Lamar Smith, have not stopped their efforts and have proposed migratory reforms to reduce the possibility for undocumented immigrants to stay in the country. The Republicans insist that Latin American immigrants are spending the money of the U.S. citizens, especially in states such as California. However, several critics are of the opinion that the Republicans, in their electoral debates, forget that a large majority of the cheap labor force in the country is foreign and that it reduces the country's economic expenses.

Business Sector Denounces Campaign To Discredit Country

PA1311160195 San Salvador EL DIARIO DE HOY in Spanish 9 Nov 95 p 14

[Report by Marvin Portillo]

[FBIS Translated Text] An international campaign to discredit El Salvador and prevent the country's economic recovery has begun to unfold in the United States.

Business sectors said the first signs indicate that labor unions, businesses, ecological groups, and even the U.S. Government have joined efforts to discredit tourism and maquila [assembly plant] sectors, which are the fastest growing and generate more employment in the country.

The attacks also aim to discredit the country's image abroad and take out its fishing industry from the international market.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The campaign against the country raises arguments that range from causing harm to endangered species in other countries to committing alleged violations of workers' rights.

Alfredo Millan, private sector coordinator for international negotiations, denounced that a high-level commission from the U.S. Government, the AFL-CIO, and the American Institute for Free Labor Development will visit the country next week to continue closing businesses in El Salvador.

The AFL-CIO has allegedly promoted a campaign to force the closing of maquila businesses in Central America because these are considered to have stolen the U.S. labor market.

Millan said, "This is such a huge campaign that the NEW YORK TIMES has published ten articles against El Salvador over the past two weeks. This is an attack against employment in this country."

Information received from the United States reveals that the group Millan has denounced will be composed by union leaders from the clothing sector who are AFL-CIO members, the Office of U.S. Trade Representative (known as USTR as per its acronym in English) and the General Preference System (SGP).

The information, which was allegedly provided by USTR spokeswoman Dianne Wildman, states that the group has the right to investigate working conditions in the countries that benefit from the SGP.

The Country's Image Is Being Damaged

Meanwhile, businessman Eduardo Lopez Rajo denounced a tourist guide by U.S. publisher "On Your Own Publications" that hurts El Salvador's image, underscores street violence and streets full of holes, and warns foreign women that they might be raped if they wear short skirts.

Although the Salvadoran Institute of Tourism (ISTU) stated in a communique that "it had nothing to do with the production, editing, distribution, marketing, or sponsorship of this defamatory tourist guide [no end quotation mark as published], sources who are close to the ISTU president said the opposite.

According to point No. 4.1 of the minutes of the ISTU board of directors's meeting held on 6 October 1994 at 4:30 PM at the Presidente "B" hall at the Presidente hotel, the ISTU provided an office to keep their computers to the "On Your Own" reporters who prepared this guide.

In addition, a vehicle with a driver was provided to them — which was paid for with funds from the Salvadoran Government — so they could go to the various places they visited while they stayed in the country.

According to businessman Lopez Rajo, the twisted purpose of this tourist guide was to harm the country's image and prevent the recovery of tourism, which is one of the milestones in the government's economic recovery plan.

Even though there are no official figures, estimates indicate that after the Peace Agreements were signed in 1992, some 314,500 tourists visited the country, and they spent more than $50 million in foreign exchange.

U.S. ecological groups have joined the attacks against the Salvadoran economy and have prepared for actions against the shrimp industry which they accuse of killing sea turtles.

Businessmen from this sector disclosed that these allegations attempt to take out of the market Salvadoran shrimp businesses that compete with U.S. companies from Florida and Houston.

All of these factors cause business sectors to believe that El Salvador is the victim of a new international discredit campaign that attempts to crush the Salvadoran people's aspirations for economic recovery.

Guatemala

Reportage on Unofficial Local Election Results

Berger Reelected Guatemala City Mayor

PA1311045695 Guatemala City Cadena de Emisoras Unidas in Spanish 0325 GMT 13 Nov 95

[Report by Byron Rivera]

[FBIS Translated Text] More than 65 percent of the total number of votes cast in the capital give candidate for mayor Oscar Berger, who is also the current mayor of Guatemala City, an overwhelming victory. He will still be mayor in the year 2000. Even candidate for mayor Cesar Recinos, who ran for Group 22, congratulated Berger a few minutes ago urging him to continue to do all the good he has been doing. Recinos told Berger that he can rely on him and his support for whatever he deems necessary. Recinos said he will shake Berger's hand the first time he has a chance as a sign of congratulations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Change 2000 Candidate Wins in Antigua

PA1311050895 Guatemala City Cadena de Emisoras Unidas in Spanish 0325 GMT 13 Nov 95

[Report by Maria Teresa Lopez Lima, from Antigua Guatemala]

[FBIS Translated Text] We have almost all the votes counted here in Antigua Guatemala. The National Vanguard Party [PAN] won deputy elections and Change 2000 [Cambio 2000] won the mayor's post. PAN's presidential candidate also won here, after a hard struggle.

We are at the residence of Victor Hugo del Pozo, where there is a big party. Unfortunately we cannot enter. Here is Victor Hugo del Pozo. He is here with us. He is the winner. He belongs to the Change 2000 Civic Committee. Mr. Gustavo Parada, who was also heading a civic committee, is by del Pozo's side.

We are with the municipal mayor of Antigua Guatemala: Mr. Victor Hugo del Pozo. What can you tell us, sir?

[Del Pozo] We are happy with the news. We are celebrating victory thanks to those who trusted Change 2000.

[Lopez] Can you tell us of any problem that may have emerged.

[Del Pozo] There were no problems during the campaign. What is important is the joy we experienced in Antigua Guatemala. For the first time in history, a civic committee has won the post of mayor in this city. Another civic committee came in second, and I congratulate it because it carried out a great campaign.

PAN's Arzu Leads in Guatemala City

PA1311052395 Mexico City NOTIMEX in Spanish 0444 GMT 13 Nov 95

[FBIS Translated Excerpt] Guatemala City, 12 Nov (NOTIMEX) — Alvaro Arzu, presidential candidate of the right-wing National Vanguard Party (PAN), this evening received more than 60 percent of the votes tallied in the capital, according to unofficial results.

The slow tally of votes, which started after the polling places closed at 1800 local (0000 GMT on 13 November), gave Arzu 64 percent of the votes in the capital, according to calculations by the Supreme Electoral Tribunal (TSE).

The second place goes to Alfonso Portillo, candidate of the Guatemalan Republican Front (FRG), also right-wing, with 22 percent of the votes, the TSE indicated.

It added that the New Guatemala Democratic Front (FDNG), the only leftist option among the 19 presidential candidates, surprised everyone by securing third place with 8 percent of the votes. [passage omitted]

Hugo Maul, magistrate of the Supreme Electoral Tribunal, told newsmen that the final results of the elections will be officially announced in five days.

The slow electoral vote count is keeping Guatemalans waiting with anticipation, after the civic election day transpired normally.

The people are awaiting results, even if unofficial, as well as results drafted by the media, which are being announced on radio and television.

Analysts consulted by NOTIMEX indicate the people are interested and anxious to know the official results of the elections, which are the third consecutive ones since 1985, when the current democratic period began, following three decades of authoritarian rule.

Blackout Interrupts Vote Counting

PA1311155295 Mexico City NOTIMEX in Spanish 0807 GMT 13 Nov 95

[FBIS Translated Text] Guatemala City, 13 Nov (NOTIMEX) — A blackout that has affected this capital since 0030 (0620 GMT) briefly interrupted the vote counting by the Supreme Electoral Tribunal (TSE), sources of that institution announced today.

Meanwhile, an unidentified person called Radio Sonora early today to say the 13-day, unilateral cease-fire called by the Guatemalan National Revolutionary Unity [URNG] had ended. "The truce is over," the anonymous caller told the station, reporters of this nationwide radio station reported.

"The war will continue," he added before hanging up, they stated.

The call was made minutes after the blackout, which affected more than 50 percent of Guatemalan territory, according to Radio Sonora, had occurred.

The station, which received reports on the blackout from various points of the country, stated the cause is unknown.

The blackout [words indistinct] for a few minutes the vote counting taking place at the TSE's Computing and Information Center, Electoral Magistrate Hugo Maul said.

The blackout did not cause any loss of information, Maul added.

"The blackout [words indistinct] the vote counting, but it is not delaying the issuance of electoral reports," he said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The initial results the TSE issued here on 12 November indicate that Alvaro Arzu of the National Vanguard Party (PAN) is leading 19 presidential candidates from 23 parties.

Approximately 3.7 million [words indistinct] registered to elect on 12 November a president, vice president, 300 mayors, 80 deputies to parliament, and 20 deputies to the Central American Parliament (Parlacen).

President: People 'Only' Winner in Elections

PA1211200895 Panama City ACAN in Spanish 1851 GMT 12 Nov 95

[FBIS Translated Text] Guatemala City, 12 Nov (ACAN-EFE) — President Ramiro De Leon Carpio today proclaimed the people as the "only" winner of the general elections that have been taking place throughout the country since 0700 (1300 GMT).

The president said upon casting his vote: "The people are the great and only winner, regardless of which candidate obtains the majority of votes."

De Leon went to cast his vote at the National Central American Institute in the historical downtown area in this city where he briefly spoke with delegates of the Supreme Electoral Tribunal.

According to De Leon, the country is living a "historical" day, the transitional period he initiated 29 months ago is coming to an end, and an era of "democratic strength" is beginning.

The elections have called for the participation of 3.7 million citizens and are being verified by hundreds of observers from the Americas and Europe as well as by international reporters and correspondents.

De Leon said that during the two remaining months of his administration, he will continue constructing development works in the nation's countryside with the objective, he says, of fighting poverty.

Moreover, he said he is preparing all the elements that will facilitate "governability" for the new government that will be installed next 14 January.

The Guatemalan president was elected by Congress on 6 June 1993 to replace Jorge Serrano, who was overthrown after a failed coup d'etat on 25 May 1993.

The elections will determine the country's future for the next four years. In addition, the president, a vice president, 80 deputies for Congress, 20 deputies for the Central American Parliament, and 300 mayors will be elected.

This election day has been normal, and no incidents have been reported, although electoral authorities and politicians agree that absenteeism will be higher than in previous elections.

President Gives Preelection Speech

PA1211051095 Guatemala City Radio and Television Networks in Spanish 0400 GMT 12 Nov 95

[Speech by President Ramiro de Leon Carpio in Guatemala City — live or recorded]

[FBIS Translated Text] Dear people of Guatemala: In this important moment for the future of our country I wanted to share with you the satisfaction I feel as president as I see that we have reached the conclusion of the electoral process that will allow us to take a great step forward in the construction of our democracy that was threatened two and a half years ago when those regrettable events that violated the state of law and the constitutional life of our country occurred.

Guatemala on 12 November will live an event that should be a [word indistinct] civilian party, because we Guatemalans must show to the world that despite the great obstacles on the way of our development, we were able to not permit the interruption of the democratic exercise that have taken so much sacrifice, pain, and blood from many compatriots and show the world that in Guatemala we have advanced, that in Guatemala we believe in peace and civilized life, that in Guatemala we have eliminated the practices of the past and that now our goal is to reconstruct the country and solve our problems through legal and intelligent means.

I address you on this evening because I consider that it is especially important that we make a reflection together. We are a few hours away not from witnessing, but of being part of a civilian event that will become a phase of our history: the general elections of 1995 in our country. On 12 November, we will have the chance given by democracy to chose our fate [3-second break in reception] the only force that recognizes reason and intelligence: vote. Through the best weapon that every human being has: his vote.

Guatemala has had to overcome difficult moments to advance in this democratic process that is still budding, and this is precisely why it must be supported and strengthened by our attitudes and our behavior. Our presence [3-second break in reception] constitutes a way of ensuring that Guatemala takes the path of democratic existing, because it is through the vote that we exercise the human, civilian-political right to elect and be elected, but primarily because it is through the vote that we will achieve change of authorities through legal, peaceful, and free means, which is the way in which we will be able to advance toward achieving a society of peace and justice.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We left behind undemocratic experiences; we left behind electoral frauds and the authoritarian changes that today should only serve to compare them to how far we have advance and what we can achieve. Perhaps the changes that our society needs are not taking place as swiftly as we wish, but we must learn that all processes are constructed, and today we are at a time when the participation of everyone could contribute to the construction of this democracy that we must preserve and that we must also strengthen.

We must also understand that the countries that have a high democratic culture have had to learn and overcome many phases in order to consolidate their processes. Guatemala has just began this journey, and although it is difficult, we know that it is the correct one.

Our government has been considered to be a transition government, and it has given special attention to this political transition by working to ensure that the next government, the one you will elect, will encounter different conditions to the ones we had to confront [3-second break in reception] having as principle that our sole commitment is with Guatemala.

Precisely because of this, today I remember a message I delivered to the nation in May this year when I announced to the people of Guatemala my firm decision to not participate in the electoral process, because this would not only pose legal contradictions, but [words indistinct] that this government will fully comply with the mandate we received, that is, to consolidate [words indistinct] and restore constitutionality to the country [words indistinct] most important phase of this process, of which, as president of the Republic, I have also been partially responsible for — I cannot hide my satisfaction and happiness over the fact — that this electoral process has developed amid a high-toned atmosphere that I proposed in the pact signed between the government and political parties precisely to return trust to the country in political institutions, which are so necessary and important for national life.

That is why, Guatemalans, I appeal to your commitment as citizens, as a fundamental part of this society, to exercise your right to vote and freely elect the person, who you believe should guide the destiny of our nation. The important thing is that you vote regardless of which candidate you vote for. It is important that you make your own decision according to your own appreciation. The important thing, I repeat, is to go to the polls and vote.

I make a special call to Guatemalan youths. I ask you to initiate your civic life by exercising your right to vote. This act is part of the learning process of living in democracy. It is up to you to strengthen this way of life.

On behalf of the Guatemalan people and government, I thank all international observers visiting our country, who with their presence, are helping to guarantee this process. I also wish to thank the members of the international media who are visiting us. They will be able to witness and reflect what really took place here during the elections.

Guatemalans: Guatemala is counting on us. Let us not disappoint her. Let us exercise our vote with freedom and seriousness and above all, with all our love placed on a nation that undoubtedly deserves a better and more worthy life.

Let us elect our country's new authorities and let us be part of the Guatemalans remembered by history as the ones who built peace through peaceful and legal means by freely exercising a human right, which we all have.

Thank you very much for your attention and good night.

Vice President Comments on Elections

PA1211204295 Guatemala City Cadena de Emisoras Unidas in Spanish 1710 GMT 12 Nov 95

[Interview with Vice President Arturo Herbruger Asturias by Fernando Lopez in Guatemala City on 12 November — recorded]

[FBIS Translated Text] [Lopez] Mr. Vice President, it is a pleasure to interview you. We have heard you were the one who drew up the system being used today.

[Herbruger] That is right. That was more than 10 years ago when I entered the Supreme Electoral Tribunal [TSE] in 1983, and we had to organize the entire system. I set up this system, which has yielded good results throughout the years [words indistinct].

[Lopez] How do you view the system the TSE is using to obtain more data in a more orderly fashion?

[Herbruger] I believe it is now using a computer system, something which I think is very good. I believe the TSE is using this equipment that has been distributed throughout the country. I believe the TSE members deserve to be congratulated for this progress. We used the old system of written reports and telephone and telegraph communications in my time. Everything is computerized now.

[Lopez] How have you viewed the voter turnout, specifically in this voting center in Belen?

[Herbruger] I see that the voting center here is quite lively. [Words indistinct] the first citizens were registered here when the process opened more than 10 years

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ago; thus, I am registered here in Belen [words indistinct]. Nearly all of us voting here are old people. [laughs]

[Lopez] Have the international observers reported to you any problems or irregularities in the elections?

[Herbruger] No, but I must state that I have not had any meeting with the international observers yet. I do not believe [words indistinct] any complaint so far. The elections are being held now, and maybe at the end of the day or tomorrow they might report something they have seen. I believe everything will go well, because these elections are undoubtedly well organized by the TSE [words indistinct]. [end recording]

Prosecutor General Files Amparo Against President

PA1211224795 Guatemala City SIGLO VEINTIUNO in Spanish 10 Nov 95 p 6

[Report by Elias Salazar]

[FBIS Translated Text] On the evening of 9 November, Prosecutor General Ramses Cuestas Gomez filed a writ of amparo at the Constitutional Court [CC] to ensure that this court and not the president of the Republic will be the one to resolve his dismissal from his post.

The official, accompanied by his lawyers, arrived at 2145 at the CC and personally submitted to CC Secretary General Manuel Garcia the corresponding documents stating his allegations against President Ramiro De Leon Carpio.

The prosecutor general explained that, in this case, *he is trying to set a legal precedent to ensure that no one will feel he is above the law*. He criticized President De Leon Carpio for announcing his decision to remove him from his post without just cause, as the law stipulates.

These threats to dismiss me are unheard of for such a lawful man as the president of the Republic. This is why I filed this writ of amparo to make the law prevail, Cuestas pointed out.

In this regard, lawyer Ramses Cuestas Galvez, who is the prosecutor general's son, underscored that if the CC supports the filed writ, President De Leon Carpio must specifically explain the deficiencies of the Prosecutor General's Office. In addition, he must explain the facts based on which he made the decision to dismiss the prosecutor general without holding a legal audience and without exhausting the legal procedures.

Cuestas Galvez stressed that, with this case, he intends to strengthen the state of law in our country.

Prosecutor General Reports Intimidation

Cuestas Gomez yesterday reported that he is the subject of intimidation by three unidentified individuals who approached his home and said that *they wanted to correct the strong words he had uttered the previous day*.

He recounted that he was not at home at that time; however, according to what security agents told him, the individuals arrived in a white pick-up truck and parked a few meters from his house. One of them remained inside the car, and the others got out.

Likewise, *a vehicle followed one of my children when he was leaving the Rafael Landivar University but lost him because of the heavy traffic.*

These incidents that happened one day after I reported that the executive branch was pressuring me were reported to the UN Mission for Guatemala (Minugua) and to other institutions that defend human rights, the government official affirmed.

Last week, the prosecutor general said that President De Leon Carpio had pressured him into lowering the profile of the Bamaca case and to find a way to prevent the pretrial of Peace Commission President Hector Rosada.

Cuestas Gomez made these statements in response to questions, and when he reported the pressure to which he had been subjected, he maintained that these threats against prosecutors would probably occur again.

As for the security measures adopted, he explained that his security continues to be the same, because it is clear that those who devote themselves to these types of acts are capable of flouting any security measure.

He added that he sent a copy of the report submitted to Minugua to the government and defense ministry.

Yesterday the prosecutor general met with a group of lawyers who had issued a statement on his dismissal or resignation, which, he explained, will be analyzed so that, based on it, he will be able to make a decision.

Prosecutor General Reports Death Threats

PA1011235095 Panama City ACAN in Spanish 1212 GMT 10 Nov 95

[FBIS Translated Text] Guatemala City, 10 Nov (ACAN-EFE) — Prosecutor General Ramses Cuestas reported on Thursday that he received death threats after disclosing he was persuaded by President Ramiro de Leon Carpio to halt two important cases involving a government official and a military officer.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuestas filed the complaint with the UN Mission for Guatemala (Minugua), which oversees the observance of human rights in this Central American country.

Valeria Morera, an Argentine spokesperson for Minugua, has confirmed that Cuestas filed the complaint on Tuesday during a meeting with Minugua observers.

According to Cuestas, three unknown persons spied on his home and later asked for him, saying they wanted to "straighten out" the "harsh things" he had said about the president.

One of his sons, Cuestas added, was chased by unknown persons in two cars with tinted windows but was able to dodge them by maneuvering his vehicle.

The prosecutor had disclosed the day before that De Leon Carpio had asked him to delay the solution of the case involving Army Colonel Julio Alpirez with the murders of Michel Devine, a U.S. citizen, and Efrain Bamaca, a Guatemalan guerrilla member married to Jennifer Harbury, a U.S. attorney.

Cuestas affirmed that he was also under pressure from the government to find a way out of the lawsuit against Peace Commission President Hector Rosada, lodged by a group of ranchers, who accuse him of seven crimes, including the failure to report irregularities.

De Leon Carpio stated last week that he is considering asking for the resignation of the prosecutor, who assumed the post on 18 May 1994.

Among the reasons motivating his decision, the president said that the "key to impunity" lies in the "adequate" handling of the Prosecutor General's Office.

Several organisms that watch over human rights, including Minugua, have pointed to the limitations that hamper the ability of the Prosecutor General's Office to prosecute and punish violators of basic rights.

Cuestas has lodged his complaint with the Office of the Ombudsman for Human Rights and other proper authorities.

Vice President Regrets Attack on UN Mission

PA1311043595 Guatemala City Cadena de Emisoras Unidas in Spanish 0155 GMT 13 Nov 95

[FBIS Translated Text] Vice President Arturo Herbruger Asturias has said that he regrets the attack against the office of the UN Mission for Guatemala this morning.

He also said that some groups are attempting to hamper the electoral process [3-second break in transmission]. He added that he is satisfied with the number of voters that participated in today's elections and that he expects the new government, which will assume office on 14 January next year, to continue the country's democratization.

Honduras

Presidency Denies Negotiating Over Army Chief's Appointment

PA1011211595 Tegucigalpa LA TRIBUNA in Spanish 9 Nov 95 p 9

[Communique issued by the Press Secretariat of the Presidency of the Republic in Tegucigalpa on 8 November 1995]

[FBIS Translated Text] The government of the Republic denies any report that states or suggests that the government of the Republic has negotiated with the inviolable grief of the relatives of missing persons.

The government of the Republic also denies that President Carlos Reina or any of his closest advisers has attended any meeting to negotiate or attempt to negotiate the election of the new commander in chief of the Armed Forces with the regretful events that took place in Honduras and which led to the tragic story of the missing persons.

The government of Carlos Roberto Reina reiterates that the government of the Republic has a firm determination to clarify the issue of missing persons by strict compliance with the ethics and laws of the nation.

The Honduran Government regrets any intention to exploit the anguish of the relatives of missing persons with wrongful intentions.

Ethics and justice cannot be exchanged for anything. The moral revolution will maintain intact the most cherished values of human dignity.

Tegucigalpa, 8 November 1995.

Press Secretariat of the Presidency of the Republic.

Armed Forces Chief Discua Interviewed

PA1111220495 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 7 Nov 95

["Exclusive" interview with Armed Forces Commander in Chief General Luis Alonso Discua Elvir by Roberto Reyes in Tegucigalpa from the "This Very Day" newscast; date not given; monitored in progress — recorded]

[FBIS Translated Text] [Discua] ...compliance with The Hague ruling [words indistinct] level, through a binational commission [words indistinct] the Honduran Armed Forces are contributing to maintain a climate of peace and tranquillity in the border area.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Reyes] Let us move to another topic, the case of the new commander in chief of the Honduran Armed Forces, Colonel Mario Raul Hung Pachecho, who will take over his duties in January when you transfer the command over to him. There was practically consensus in the Congress; only about 10 deputies were opposed. Was this what the Armed Forces expected? Can you give us your reaction?

[Discua] It is logical that at this time, when Col. Mario Raul Hung Pacheco takes over the command of the Armed Forces, on 25 or 28 January of next year to be exact, when the term to which I was appointed by the sovereign Congress ends, that this should be a period of transition in the Armed Forces. A balance must be maintained during this period within and outside the institution. This means that the commander in chief must take measures that should, to put it that way... [pauses] these measures must show great calm in order for the benefit... [pauses] to maintain, tranquillity within and outside the Armed Foces.

[Reyes] The chief of the joint chiefs of staff is the second in commnad, he comes second following the commander in chief of the Armed Forces. Based on Colonel Roberto Lazaro's mentioned qualifications, are we to understand that he will occupy that post?

[Discua] It is possible that the qualities of Col. Lazaro may be taken into consideration. I think that falls within the purview of the person who will replace me in my post. In this case, and in due time, he will make the decision on whether to name him chief of the joint chiefs of staff. [Reyes] One of the most important questions of this interview has to do with the 20-year prison sentence Juan Blas Salazar received. Is this justified or not? What does the Armed Forces chief think of this?

[Discua] I can begin by telling you that I am not a court of justice to give a legal opinion on the matter, since my legal advisers have not had the chance to discuss and see exactly what happened in the case of Col. Juan Blas Salazar. The only thing I can tell you is that he is not a drug trafficker.

When he left his post he had not delivered four or five kg of cocaine. Investigations have been conducted, and it has been concluded that he does not know exactly where the drugs went because he was relieved, he was suddenly called to Tegucigalpa, and then he was relieved.

Regarding the sentencing, all I have said is that in this country, foreigners have been sentenced, have been taken to court with possession of 30, 40, 50 or more kg of cocaine, and the courts have not considered this important enough evidence to convict them.

In this case, perhaps this was a ruling based on indifference. I cannot say in what regard because I am not sure, but I agree and I clearly know that in the eyes of the law, all Hondurans are equal — the uniformed ones and the civilians — to be or not to be favored. We have to treat all people equally. In this case, to be honest with you, I see in the sentencing of Colonel Juan Blas Salazar some kind of vindictiveness or a manifestation of a desire to impose civilian power over military power, as it has been said on several occasions. This is the culture of the people. This is easily said but difficult to do, because this is not about a desire to impose supremacy disregarding the means.

I agree this happens everywhere in the world, this issue of civilian power over military power or of strengthening civilian power. I agree this is correct in a legal state, in a democracy, but I do not believe this kind of situation justifies the supremacy some want to impose.

Speaking of the case of Col. Juan Blas Salazar, I believe that Hondurans have other forums to which they may appeal. Logically, if we see there is no impartiallity in the implementation of justice and if what the president has said about the legal rights all Honduras have has not been heeded, then I believe we have to analyze this very carefully.

This situation creates distrust, but I do not believe anyone is above the law. I think Col. Juan Blas Salazar will appeal to the forum the law offers him.

[Reyes] This means, general, that you view the sentence as a bit biased and that you will speak with President Reina about this?

[Discua] Yes, we can discuss this with him. He is an attorney, he has a doctorate in international law, to be more specific. He understands this about the implementation of justice. He is a very sensible person, and we will discuss the issue with him at some point in time.

[Reyes] What has the president got to do with this, considering he is the head of the executive branch. The judicial branch is a separate, an independent, power.

[Discua] I said I will discuss the issue. Right? Discuss, talk about, the issue, because he is the commander general of the Armed Forces, our immediate boss and we owe him loyalty, but loyalty works two ways in these cases: From the superior to the subordinate and from the subordinate to the superior. I have always said that loyalty in the institution is a three-way course: From the superior to the subordinate, from the subordinate to the superior, and loyalty among peers, which is the lateral loyalty. The other loyalties are upward and downward.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In this case, since he is the commander general of the Armed Forces, he will be informed by me, his immediate subordinate in the Armed Forces. I report to him about these cases, we comment on them, and he, he has been clear about this, he is the president of the executive branch. There is a president of the judicial branch. The two branches are independent but there is always a relationship, a fusing of the branches of the state, which still maintain their independence.

In this case, as I have said, all I will do is report to the president.

[Reyes] There are warrants for the arrest of Alexander Hernandez, an active member of the Armed Forces; and of Billy Joya and Manuel de Jesus Trejo, both retired, and they have not surrendered. What is the Armed Forces doing to have justice prevail?

[Discua] There is not much the Armed Forces can do because we are not a court of justice. I believe it is the courts of justice who have to [two-second break in reception]. In the 1960's and the 1970's the Armed Forces was also the government. Some way or another this led to the level of democracy we have now. The Armed Forces do not impose justice.

In the case of the accused soldiers, they have their defense attorneys, who receive instructions about what they have to do. I believe this is the situation right now. I have no other commentary in this regard because Colonel Hernandez is on leave, but he could be on an available status for a two-year period.

[Reyes] General, could what has happened to General Salazar make the Armed Forces become more cautious about presenting these officers considering that perhaps justice is not being properly implemented, as you have hinted, and this is why you will speak with the president? We should remember that Colonel Hernandez is still in active service.

[Discua] Maybe not the Armed Forces. It is the defense attorneys who must take precautions because, sincerely speaking, the situation has created incertitude and the attorneys will have to adopt pertinent actions.

[Reyes] Many people wonder: Why, if they are innocent, do they not come forth?

[Discua] If this were the way, I believe there would be no problem, but at this moment, with this situation, the attorneys believe it is not suitable for them to come forth until the situation becomes clearer. There is an amnesty that does not force the accused to testify at court. There have been amnesties in the past and the accused did not appear at courts to testify. The trial court judge could definitely dismiss this case even if the accused do not appear in court. There are legal precedents on this in the country.

[Reyes] What type of pressure is there, General?

[Discua] We could not go in details but when a decision is adopted in these cases, or when a court has to pass a ruling, there is always some desire to damage some person. I believe this is a common belief.

[Reyes] I have asked Colonel Lazaro about this issue and he said there is money behind this, hinting in the Honduran justice system, since it is there where these cases are handled. He said the reason why civilian drug traffickers go free and leave the country while the military go to prison is because there is money involved.

[Discua] We have never been able to prove that. It is very difficult. We are talking about bribes. It is difficult to say that, but this is something that should catch our attention. The investigative and inquiring media we have could investigate this: Why drug traffickers get out very easily and how many drug traffickers are in prison now.

Nicaragua

Economist Views Government Plan

95CA0310A Managua LA TRIBUNA in Spanish 29 Jun 95 p 3B

[Article by Denis Garcia Salinas]

[FBIS Translated Text] Francisco Mayorga, former president of the Central Bank of Nicaragua, said yesterday that, of the $500 million he had announced would be obtained annually to pay the foreign debt and fund the economic adjustment program, the government will have only $11 million available to finance the private sector.

Speaking to businessmen from the Nicaraguan Association of American Trade, Mayorga said the government had projected $88 million for the sector for 1996 and $112 million for 1997.

The economist said that private businessmen should ask themselves how the government can possibly claim to reach a goal for economic growth while giving reduced support to the private sector, supposedly the driving force of development in the country.

He said that of the 2.7 million blocks of land "suitable for cultivation" (17 million total), only a third—i.e., 881,000 blocks—will be funded. This figure is in contrast with the figure for 1974-1975, which was 1,026,000.

In his remarks at the conference, Mayorga also painted a very gloomy economic picture for most Nicaraguans

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

over the next 15 years. He said that it will be practically impossible to do anything about poverty in the country, although the government will hypothetically achieve economic growth of six percent.

He explained that even with an annual growth rate of six percent, the GDP would not reach the level of the 1940s until the year 2000 and the 1977 level by the year 2005. We would not reach the threshold of the 1950s, i.e., post-World War II, until the year 2010!

Mayorga said that private consumption has been on a downward trend and that the plan of more jobs will "fall short" for the years just ahead.

Economist Mayorga also questioned the goals set by the government in the plan it presented to the Donors Advisory Group meeting in Paris, France, where government officials obtained promises of aid amounting to $1.5 billion, a sum that in his opinion "was already committed."

The government's plan aims to improve the "quality of life" of the people, the majority of whom wallow in poverty; create a competitive economy; and halt ecological and environmental decline.

Making a macroeconomic analysis of the draft of the plan presented in Paris, which was supposedly for "limited circulation," Mayorga noted that annual growth—no longer of six percent, but four—will be difficult to achieve when the bank restricts credit to production and increases the legal cash reserve from 10 to 15. In addition, there are the Open Market Operations that seek to siphon money out of the financial system, Mayorga observed.

He explained that the government does not plan to reduce public spending either, based on the fact that in 1993 it amounted to 37 percent of the gross domestic product, 39 percent in 1994, and 42 percent this year. According to the government's projections, that figure will be reduced to 39 percent in 1996 and 37 percent in 1997, meaning that Nicaragua's public spending will be at the 1993 level. This is the "public spending bubble" that the government wants to sell.

Mayorga said that both spending and taxes show an upward trend. In 1993, Nicaragua had a tax burden of 22.2 percent of the gross domestic product and 25.4 percent in 1995, the economist noted, adding that for 1996 and 1997, projections will be 25.9 percent.

As a result, the strategy does not consist in reducing public spending or taxes. Furthermore, there will be a scarcity of foreign resources that may be transferred to the private sector, he said.

In the meantime, Central Bank President Jose Evenor Taboanda defended the government's economic policy, quoting words from the Donors' Group meeting in Paris to the effect that the "path that Nicaragua is following is excellent and the right one." Taboada said that Paris has provided an opportunity to fight the acute problems besetting Nicaragua, and asked all sectors to support an undertaking aimed at pulling the Nicaraguan people out of poverty.

FSLN Leader Henry Ruiz on Split, Alliances

95CA0310B Managua EL SEMANARIO in Spanish 29 Jun 95 pp 16-17

[Interview with Sandinist National Liberation Front (FSLN) leader Henry Ruiz by Jorge Katin; place and date not given]

[FBIS Translated Text] He needs no introduction: a legendary guerrilla figure, one of the nine members of the FSLN National Directorate, and minister of planning under the Sandinist Government. At the FSLN Congress in May of last year, he vied with Daniel Ortega for the post of general secretary at a time when such a thing was considered a sin! Since that time, he has sought refuge in anonymity and returned to the political underground. Today, Henry Ruiz (Modesto) breaks his silence, sickened by how the country's future is being mortgaged and by the political demagogy that is our daily fare.

[Katin] No one knows what you have done since the FSLN Congress in May of last year.

[Ruiz] I was devoting part of my time to seeing the possibility of reaching some sort of settlement between the two factions into which the FSLN has split, but that was not possible. The work proceeded quietly because of the delicacy of what was involved, and there was no need for publicity. A few meetings were held, but in the end the work led nowhere. Nevertheless, I feel satisfied that no greater trauma accompanied the split of one sector that definitely has political ideas and proposals different from those of the other. Allowing such a withdrawal with no violence other than purely verbal was a very important step. Moreover, I have joined with a group of friends—who are well-informed about the matter—to study possible solutions to the overall problems besetting the economy. We have already made one proposal public. It is on the table and we believe it is an important contribution.

[Katin] How do you view the country's political situation and the position of the FSLN in particular?

[Ruiz] Very bad. I view the FSLN as totally incoherent, without clearly established political ideas or principles.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

On the one hand, it says it is necessary to go after the problem of land, but on the other, you have an FSLN leader going abroad and saying that the laws are not important. One cannot go to Paris and say the opposite of what people are proclaiming here. The FSLN says the government's economic policies are against the people, they issue a series of communications, and its newspaper runs headlines against that policy. Then, when it comes time to make a proposal, it accompanies the government to Paris, where it is not certain that they are going to get money, but that the country is going to be mortgaged at least until the beginning of the next century!

[Katin] Are these incongruencies and contradictions?

[Ruiz] There is a Russian saying that "what the pen builds, no ax can destroy," and it will be very difficult to erase the FSLN's signature in Paris and the entire part it played there. Here they stage strikes and take over the National Assembly to condemn economic repression, then that very week go hand-in-hand with the government to mortgage the nation! The only clear, coherent thing is that the FSLN has become the main ally of Antonio Lacayo's government and everything that that neoliberal government signifies for the country.

[Katin] Is that FSLN-government alliance for real?

[Ruiz] Naturally. For me, that is crystal clear. The Front is not just any ally. It is the main ally of Tono Lacayo and his wornout program. Just look at two things: From the very beginning, the FSLN said that the constitutional reforms were correct. They challenged a couple of things, such as the two election ballots, with which I do not really agree either—but in the end, that is what came out of the National Assembly debate, and I am not going to promote a persistent policy opposing the essence of that reform just for that reason. There is duplicity between the rhetoric and the practice. The FSLN was the only party that stayed on the side of nonreform, on the side of the government, and this cannot be concealed.

[Katin] But why?

[Ruiz] It is suspicious. The government opposes reform because it affects its dynastic, continuist plan. Reform prevents the figure, the leader of that plan, from being a candidate for the presidency. But why does the FSLN oppose it with equal vehemence? What side are they on? If they are on the side of reform, they should put all their weight behind it, including the pressure of the masses, agreeing with the Catholic Church, that the masses have solutions to this problem. And yet, they ignore the message. What is more, at a time when the Church is making an appeal, they come out as if not to be left behind, but they do it for some other reason, not reform.

[Katin] Why is the FSLN two-faced, using a policy with two sides?

[Ruiz] First of all, because of its lack of political ideas. Second, there is the fight over leadership. An internal struggle is going on in the party over control of new positions resulting from the enormous vacuum created as a result of the failure of the 1994 Congress. These contradictions prevent them from having any kind of coherence. Third, they are unable to come up with their own idea, their own economic program to challenge the government's economic plan. Fourth—and I believe this is the decisive aspect—capital is beginning to build and in this process, economic interests have carried more weight than the ancestral principles of Sandinism. As a result, the weight of these interests determines the actions of the entire party, and this is a very serious matter, inasmuch as the rank-and-file ends up being manipulated.

[Katin] Will that dual policy, in alliance with the government, be based on fear of a possible election victory of Arnoldo Aleman?

[Ruiz] I believe that that is a groundless fear. I am convinced that no matter what government comes to power, it will not be able to do anything in terms of expropriation, and I am referring to the property of the peasants, the people belonging to the resistance, the EPS [Sandinist People's Army], and so on. There is nothing to reverse that as a national policy. Fears surface when one or more important persons in the FSLN have taken possession of things they should not have. That is a fear, but it is a fear that cannot be generally applied to what has been the historic conduct of Sandinism, which is its attempt to claim social justice.

Aleman considers the appropriation by people in the FSLN, as well as in this government, to be unjust. So if their fears coincide, their defenses will also. Something I reject from the very outset is that we should view Aleman with fear because he promises he will judge those who have taken unfair advantage. Sandinism cannot go on selling out its strength because of the economic interests of a few. They have tried to make Aleman into a demon for the sole purpose of justifying an alliance with the neoliberal plan that is so heavily criticized from the inside, but they are off base. Aleman must be opposed from another angle, and if they are going to make alliances with Tono Lacayo, they should be made clearly and without justifications of that kind.

[Katin] Are you still in the FSLN or have you left it?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Ruiz] I am still in the FSLN simply because I have not resigned.

[Katin] How do you view the FSLN's election future?

[Ruiz] I think the problem is that we are talking about an alliance with a specific political group rather than an alliance with sectors such as UNAG [National Union of Farmers and Cattlemen], the ATC [Association of Agricultural Workers], or the CST [Sandinist Workers Federation], taking up the demands of those unions and not placing the interests of the party above theirs. The discussion now under way is whether they will continue to support the government and whether to form alliances with Antonio Lacayo's program, using Aleman as a pretext.

[Katin] Might the FSLN have problems when it comes time to choose its candidates for the 1996 elections—another split, for example?

[Ruiz] There are two leaderships within the National Leadership at present: the old and the new. There are disagreements, which I view as normal. The fight is between those who want to put the leadership before the program and those who seek the opposite, which I believe is correct. I am concerned about the fact that people continue to talk about an old position of years ago, which is to choose a candidate from outside the structures, and that the leadership should act as a commando group, a facade, behind the national figure. That is ingenuous, if not opportunistic.

Nor do I dispute the leadership of Daniel Ortega within the FSLN. There is no way to dispute it. At the last Congress, despite the fact that another candidacy opposed Daniel, the idea was to give him another role, to use him in many ways, but that did not happen. It is sad to see the erosion to which his figure and image are being subjected. That is not good for the left or Sandinism in general, and I believe that some are contributing to it consciously. However, he bears his share of responsibility for the dual policies and for the accelerated erosion of his persona.

[Katin] And how do you view the prospects of the Sandinist Renewal Movement?

[Ruiz] I believe they started out good—very aggressively, and with consistency between the rhetoric and practice; but it must be seen for what it is: a new project that has a long way to go. It must keep on its own path and not base its rhetoric or action on opposing the FSLN. That would be a serious mistake. They must avoid falling into the defects of parties such as the MDN [Nicaraguan Democratic Movement] and the UDC itself, which concentrated on strengthening their leadership and never grew at the grass-roots level. Its statutes are good in that they ask for constant change in leadership structures. They must achieve that. These are what I would call medium-range expectations. Within about six years, they must have made sufficient progress to be a palpable alternative in terms of election strength.

[Katin] Turning to other issues, how do you view the economic situation, and what response was there to the proposal for a way out of the crisis that you led?

[Ruiz] The goal of the economy is to achieve harmony in society; that is the ultimate purpose. However, when there is 60-percent unemployment, one has no choice but to say that something is askew. In order to integrate society, we must create jobs. Here there is only talk of growth in itself—which, incidentally, is less than what the government should propose. Economic growth must accompany employment policies in order to solve the problem of social disintegration. I do not see how this can be resolved when 40 percent of the people must support the 60 percent that are unemployed. It is the masses' yearning for justice that is the cause of crime. These are forms of protest that are contained in this reality and this government only proposes growth. Our proposal spoke of a solution based on the creation of jobs. We give the government its role, but we are not speaking of an oversized, bureaucratic government. Rather, we seek one that moves in the direction that society demands. What neoliberalism does is solve the necessary macroeconomic figures. The fact is that everything is interconnected and when it fails, vengeance is fatal. Here, what we are seeing are the defects of the plan, the crime, the disorder, the lack of confidence in the system. What we have tried to do was to give Sandinism an alternative, and not via heroism.

[Katin] When shall we see Henry Ruiz active in politics again?

[Ruiz] I have set two conditions: first of all, that the reforms pass. The reforms were an internal struggle within a Sandinism that finally split into two factions. The existence of such reforms and being consistent with them would give me a party of principles, an overall grouping in which we are not concerned with the public scene in which we play or what our role is. The second issue is that of property. Everything must be transparent. There must be a law making everything legal, so that the beneficiaries of the Army and the Police, the demobilized and the peasants, can work the land in peace. Nothing can be hidden. And finally, let the spoils into which they have turned the government via privatization be made clear. That is the duty of Sandinists: to back the transparency of these processes.

[Katin] Will you form a new Sandinist grouping or choose one of those already existing?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Ruiz] It has never been my idea to form a third force. I will continue to belong. I will be active in the future, now that I see that the country is being mortgaged as if we were at a pawn shop. And I will be active once again.

Panama

Minister Cited on 30 Nov Exploratory Talks With U.S.

PA0911165795 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Nov 95 p A1

[Report by Esperanza Navarro Francois]

[FBIS Translated Text] Panamanian Foreign Minister Gabriel Lewis Galindo said yesterday the Panamanian Government will conduct a policy of cooperation and rapprochement with the United States "with or without bases," adding that "we will continue being friends of the United States."

Lewis Galindo said this during the presentation of the copies of credentials of Ambassadors William J. Hughes of the United States, Willy J. Stevense of Belgium, and Usman Hasan of Indonesia.

The copies of the credentials accrediting them as representatives of their respective countries will also be presented to the Panamanian president today.

The foreign minister said the representatives of the two countries during the exploratory talks with Washington in Panama on 30 November are going to place "the issues on the table" with regard to whether the U.S. military presence at the end of this decade needs to be renegotiated.

New U.S. Ambassador William Hughes, who is 63 and has a lengthy political background in the ranks of the Democratic Party, said his appointment to Panama has become an "opportunity in my life" to help strengthen relations of mutual respect.

A total of 35,000 hectares of land, including the U.S. military bases, will revert to the Panamanian Government in the next four years.

DOD Contributions to Economy Reduced Over Next 3 Years

PA0811171295 Panama City LA PRENSA in Spanish 7 Nov 95 p A17

[Report by Gisela Vergara S.]

[FBIS Translated Text] According to a Southern Command report, U.S. Department of Defense contributions to the Panamanian economy will be reduced by $111 million over the next three years.

While the impact on the economy by the U.S. military presence will amount to $328 million this year, the amount will be $319 million in 1996.

Slightly less than half of this year's income ($161 million) comes from the "Buy Panama" program, which allots local merchants a quota in selling their goods and services at military bases. This program has budgeted purchases from Panamanian businesses amounting to $110 million for next year.

In 1997, DOD contributions will be reduced by $6 million to end the year with $312 million. In 1998, income from bases will amount to $249 million.

This progressive reduction in DOD contributions coincides with the departure of U.S. troops within the next few years, in compliance with the Torrijos-Carter Treaties.

Southern Command General Barry McCaffrey said recently before members of the American Chamber of Commerce and Industries in Panama that 3,000 soldiers have departed the military bases along the banks of the Canal in the last months, adding that there are 7,600 members of the military in Panama compared to 10,500 in February 1994. The figure will drop to 5,650 in 1998.

Meanwhile, McCaffrey has said the Southern Command will transfer to Miami in 1997 with 600 men.

The Treaties Will Be Fulfilled

The chief of the Southern Command has reiterated that steps have begun for the faithful observance of the Canal treaties, adding that in the talks for a continued military presence, "I hope it is not a negotiation where some win and others lose out."

McCaffrey said he will not take part in the exploratory talks. He has assured that the United States does not have a vital national security interest at risk in Panama.

Even though Panama and the United States will begin exploratory talks for the possible continuation of the bases beyond the year 2000, James Andrew Courter, former president of the Presidential Base Closure Committee, has said neither the federal budget nor the DOD budget has funds destined for the continuation of military bases on Panamanian soil.

About 73 bases will be closed in the United States in 1996. The United States expects to save between $60 billion-$75 billion in closed bases throughout the world. This sum will begin being saved after the year 2000, when the country reduces its presence to a required minimum in Europe, Latin America, and Asia.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The territory reversion process has begun in Panama, and some 22,000 acres and 1,084 buildings have been transferred to Panamanians since 1979.

According to McCaffrey, there are only 3,608 buildings and 71,000 acres pending reversion over the next five years.

Article Says U.S. Military Bases Causes of Conflict

PA1311200595 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Nov 95 p A7

[Article by David Acosta: "Military Bases...Causes of Conflicts"]

[FBIS Translated Text] Those exploring the possibility of allowing the U.S. military bases to remain in the country beyond the year 2000 must understand that to allow the bases to remain beyond that date is to permanently leave our future generations the same causes of conflict that have existed in the relations between Panama and the United States for nearly two centuries, stained with blood, invasions, and acts of arrogance by the northern giant. They must remember that the eight-point Tack-Kissinger Agreement of Principles was signed on 7 February 1974. This agreement emerged from the glorious feat of 9 January 1964 and from the Security Council meeting held in March 1973, when the United States, embarrassed by the truths expressed by General Torrijos and by the conclusive evidence of the misunderstandings and injustices of the empire, had to resort to its veto power, leaving behind a disastrous image before the world. The United States later accepted world criticism, and that is why it reached an agreement with Panama to eliminate for good the reasons of the conflict through the Torrijos-Carter Treaties. Our explorers must understand that we cannot drive the vehicle of history backward. We have the moral, patriotic, and ethical obligation to drive it toward a total independence in the year 2000 just as the Torrijos-Carter Treaties state.

These are stages, which have buried for good the perpetuity of the Hay-Bunau Varilla Treaty of 1903, we have overcome; therefore, there are no arguments to allow the bases to remain in the country except to convert them into emporiums for national development. If the United States wants a physical presence along the banks of the Panama Canal, why does it not transfer part of its multinational corporations to these areas and invest in industries and trade, which would benefit both countries? Do you believe if they leave the military bases after the year 2000 the causes of the conflicts of this century would be eliminated?

Why must they be soldiers armed to their teeth who have never fired a single shot to defend the Canal and who have only served to kill Panamanian patriots who were reclaiming their occupied territory? We have the opportunity of being free and sovereign if the Treaties are fulfilled. Why not enjoy a few years and later, after the year 2000, with the strengthening of our national independence, and only later "explore" the possibility to see if it is advisable for us? Don't you think, Mr. Explorers, that we would then be in better shape to negotiate than we are now with an Army, the most powerful on Earth, imposing conditions on such negotiations? We all have a splendid future in which our generations will not suffer the humiliations and ungratefulness Panamanians have suffered in the previous and present century.

We have witnessed throughout our years of relations with the United States heroic feats that cannot be disregarded. We must remember that since the days in which the isthmus was being discovered and since colonial days, the early Panamanians, our Indians, showed signs of courage in the defense of their land. There we have Urraca. According to Ernesto J. Castillero, in his book: History of Panama, the following was said of Urraca: "Among the heroes of the native race who fought for the freedom of their peoples in the Americas, Urraca must have a place of honor beside Lautaro, Caupolican Cuauhtemoc, Tupac Amaru and so on. They were the leaders and heroes of the Indian race in America." Moreover, throughout our history we have men such as Abel Bravo, Justo Arosemena, Victoriano Lorenzo, Mateo Iturralde, Belisario Porras, Tomas Herrera, Harmodio Arias, Juan Demostenes Arosemena, and many others, who would make a long list, who left Panama's name in a golden mold. We remember the patriotic gesture of Roberto F. Chiari, when he broke relations with the United States. He put on the scale: either the dignity of a sovereign country or accept infamy, discredit, and the blood shed by the Panamanian people on 9, 10, and 11 January 1964. In addition, our explorers of the possibility to keep the U.S. military bases beyond the year 2000 must remember that Omar Torrijos understood the message of the Panamanian people in 1964...no more causes of conflict...no more military bases beyond the year 2000. That is Panama's historic mandate and the 1947 rejection of the bases.

We have the faith that President Perez Balladares will fulfill the Torrijos-Carter Treaties. There cannot be any other alternative but to achieve Panama's total independence in the year 2000, so that our attitude of dignity, which is really the guarantee for the fulfillment of the Treaties, can be recognized by all nations of the world.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

President Declares 'War' on Opposition Sectors

PA1211011895 Panama City EL PANAMA AMERICA in Spanish 8 Nov 95 p 1A

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] President Ernesto Perez Balladares declared "war" on the opposition during a meeting of Democratic Revolutionary Party (PRD) in San Miguelito yesterday.

"If the opposition wants to fight, it will have a fight," Perez Balladares told his fellow party members at this meeting. The PRD meeting, where the presence of reporters was limited, was held at the Orlando Winter gym.

During his speech, Perez Balladares questioned the actions of an opposition legislator, whom he only identified by the nickname "guarumito." He said this legislator had gone to see him to cry because his brother, who worked in a government office, had been fired.

The chief of the executive also announced several "adjustments" at the management level in various institutions. He added, however, that he was "relaxed and satisfied" with his team of ministers.

Perez Balladares also proposed changes at the Comptroller's Office where, he said, there are officials who further "Chinchorrist" [followers of former Comptroller General Ruben Dario Carles who was also a presidential candidate during the past elections] policies.

To strengthen Perez Balladares' "war" declaration against the opposition, Mitchell Doens, labor minister and first assistant secretary of the PRD, took the stand. He said several political sectors have "misunderstood the government's decent behavior and its call to a concerted effort as a sign of weakness."

Doens described his adversaries as "a cheap opposition." He added: "We have had a lot of patience but they have a lot of people who have very long tails....and public opinion will find out that those who proclaim they are saints have a tail that goes from here to the border" with Costa Rica.

President Denies Declaring War on Opposition

PA1211030395 Panama City LA PRENSA in Spanish 11 Nov 95 p 1A

[Report by Rolando Rodriguez B.]

[FBIS Translated Text] President Ernesto Perez Balladares reiterated that he has not declared "war" on the political opposition. During the acts to commemorate the 174th anniversary of the Shout of Independence in the Villa de los Santos yesterday, he added that he will "always have natural differences with them but such differences must not be exaggerated."

The president asserted that his fight is against poverty, criminal violence, and drug trafficking, and not against the opposition. Moreover, he invited all Panamanians to put such matters aside and join the search for solutions to the problems that afflict the country.

Perez Balladares asserted that he does not give "any credibility to those who attempt to dramatize the country's political situation." In his opinion, his government has not committed "any kind of aggression or persecuted his political adversaries in any way, despite what they did in the past or what they are saying currently."

On another issue, the president insisted that since he came into office last year, there has been "complete freedom of expression in Panama and no person has been subjected to persecution or suffered arbitrary actions due to his political activism, regardless of whether he agrees or not with the current administration."

The president said his government, which assumed the helm of the country on the eve of the next century, has the responsibility of one of the most important periods in the country's life. During this period, the government must prepare the country to assimilate and integrate changes in its developments so as to be able to confront the abysmal differences between the industrialized countries and the Third World, which have existed for several decades.

According to the president, Panamanians must acted decisively to confront those challenges and "not spend our energies in sterile issues that do not accomplish anything except divide us and hinder our ability to advance."

"We have to leave useless battles, which are encouraged by demagoguery, to one side. We have to wage a war against extreme poverty and the exclusion of the thousands of Panamanians who demand their right to have hopes, work, health, education without impediments, housing to ensure their homes, and life as a sure thing and not as promise that is always being threatened," he underscored.

The president participated yesterday, in the acts to commemorate Rufina Alfaro's shout of independence at La Villa de Los Santos. Perez Balladares placed a floral arrangement at the Rufina Alfaro monument and hoisted the national flag at the park that bears the heroine's name.

Later, he attended the traditional religious Te Deum ceremony at the San Anastacio Church in La Villa de Los Santos and the Municipal Council's solemn session.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The mentioned events were also attended by, among others, First Lady Dora Boyd de Perez Balladares, Vice President Tomas Gabriel Altamirano Duque, ministers, and local authorities.

President Files Suit Against Paper's Assistant Director

PA1311131895 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Nov 95 p A1

[Report by Esteban Huertas G.]

[FBIS Translated Text] President Ernesto Perez Balladares, as the first authority of the country, filed a suit with the Attorney General's Office against Maria Cristina Ozores, assistant director of LA ESTRELLA DE PANAMA, Rodrigo Lopez Maitin — a partner at Ortega, Lopez, and Tejada Attorneys at Law and Ozores' legal representative — said in a news conference last night.

Ortega, Lopez, and Tejada conducted the investigations related to the complaint and discovered that the president's charge was against their client.

Perez Balladares filed a suit against Maria Cristina Ozores on the alleged grounds of "injury," a charge that was filed at the First Circuit Court Prosecutor's Office of the Attorney General's Office.

Lopez Maitin disclosed that actions are being taken to ascertain evidence that refutes the accusations raised in the complaint, and stated that he is confident the judicial authorities will guarantee the development of the proceeding in compliance with the law.

On 2 November, the president filed a suit before the Attorney General's Office, but he refused to disclose the identity of the defendant, leaving the media in suspense.

The president filed this complaint in response to remarks made in the column called "LA ESTRELLA DE PANAMA's Opinion" published on Tuesday, 31 October 1995.

The Inter-American Press Association (IAPA), during its recent summit held in Caracas, established that Panama did not qualify as a country where freedom of the press is respected.

This is the first suit filed by Perez Balladares against one of the media since he took over as president on 1 September 1994.

The executive branch presented the Legislative Assembly a bill on slander and injury, which has been rejected by all media groups in the nation.

Daily Owner Writes to President Condemning Slander Bill

PA1311200795 Panama City EL SIGLO in Spanish 10 Nov 95 p 1

["Letter" from Jaime Padilla Beliz, owner of EL SIGLO newspaper, to Panamanian President Ernesto Perez Balladares; place and date not given]

[FBIS Translated Text] The owners of EL SIGLO, LA ESTRELLA DE PANAMA, and of the radio stations affiliated with the National Radio Council (Canara) were not invited to the presidency of the Republic to discuss a bill on slander and libel which claims to repeal the famous gag laws instituted by the military dictatorship.

Likewise, we have not participated in the drafting of any document to reform the law submitted by the Executive Branch to the Legislative Assembly.

We firmly believe that we do not need any special law to penalize these violations, because the Penal Code, which prevailed before the dictatorship for many more years, contains everything necessary to penalize such abuses.

The bill that was submitted, as well as the amendments or reforms that were requested, look like they were drafted by a modern Torquemada as they establish worst sanctions than those established by the gag laws.

I have the impression that the one who drafted this harmful set of laws, did it with the intention of earning aversion for it and inflict evil. There is no other explanation for such action.

A law such as the one they are trying to approve, does not exist in any democratic and civilized country such as France, the United States, and the UK. They only exist in countries that are suffering from rightist or leftist dictatorships, the so-called "strong governments."

Half of the world's media would disappear with this type of law. The other half does not criticize, it just praises.

[Signed] Jaime Padilla Beliz

ARI Administrator Views Sale of Reverted Property

PA1411044695 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Nov 95 p A1

[Report by Jacqueline Clarke]

[FBIS Translated Text] The sale of 3,000 homes, currently leased by the Interoceanic Region Authority (ARI), in reverted areas will be one of the institution's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

priorities because they pose an "administrative problem," a document drafted by ARI administrator Nicolas Ardito Barletta states.

The report, entitled Policies and Criteria in the Use of Reverted Areas; Preliminary Strategy for its Integration Into National Development, notes that it is necessary for this sale to be made so that the current tenants can become owners and protectors of their homes.

He added that the generated resources will be used according to the law created by ARI, to build social interest homes.

According to Ardito Barletta, this transaction would eliminate an administrative program, because the ARI has "much more important things to do than to be leasing state property homes."

He noted that its basic necessity will be to draft regional plans and to launch a "very dynamic promotion at the national and international level," both of which are long overdue.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Defense Minister Reports Enhanced Security Measures

PY1311161795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1734 GMT 11 Nov 95

[FBIS Translated Text] Buenos Aires, 11 Nov (NA) — Defense Minister Oscar Camilion today acknowledged that, following a warning issued by the Israeli intelligence service, Mosad, regarding the possibility of a third attack against the Jewish community in Buenos Aires, the government has asked for security measures to be reinforced.

Camilion emphasized: "We actually do not have any additional element supporting this possibility, but of course watchfulness has been increased, and the security forces have been instructed to reinforce their tasks."

The defense minister pointed out that there are no "accurate elements" concerning the possibility of a third attack, but acknowledged that "these warnings cannot be taken lightly, especially when they are issued by a major source."

Camilion supported remarks made by Interior Minister Carlos Corach, emphasizing that warnings do not establish "a specific clue as to determine whether or not Buenos Aires would or would not suffer an attack."

Camilion added: "We have no choice other than to be somewhat concerned. Therefore, it is necessary to take the appropriate measures."

It was reported this week that the government had received a secret report, issued by the Mosad, in which Buenos Aires had been included on a list of five cities where the Islamic fundamentalist groups Jihad and Hizballah would stage an attack against Jewish targets.

Upon leaving Government House yesterday, DAIA [Delegation of Argentine-Jewish Associations] head Ruben Beraja emphasized: "These reports merely point out a possibility. Afterward, it is necessary to review the extent of the probability and establish the degree of certitude. Nevertheless, it is not certain whether or not this type of attack would be staged."

A few minutes earlier, the Jewish leader met Corach, who confirmed to him that the government had taken measures "enhancing all security and intelligence measures" to prevent new attacks against Jewish community buildings.

In addition to the Mosad warning, strange remarks were made by former Army Sergeant Pedro Ricardo Fonseca, a painted face who, on 7 November, went to the Comodoro Rivadavia courts to report that he had participated in the attack in which the AMIA [Argentine-Israeli Mutual Association] headquarters was bombed on 18 July 1994.

As happened on 12 August 1994, less than one month after the AMIA bombing, the population again became concerned, remembering a communique issued by the media secretariat on 12 August 1994. The communique pointed out that, "based on information received by highly-reliable national and international intelligence organizations," there would be a possibility of a third attack being staged in our country.

Government Condemns Nigerian Executions

PY1411025695 Buenos Aires TELAM in Spanish 2214 GMT 13 Nov 95

[FBIS Translated Text] Buenos Aires, 13 Nov (TELAM) — The Argentine Government today categorically condemned the execution by the Nigerian military regime on 10 November of writer Kenule Saro-Wiwa and eight other Nigerian citizens who belong to the Ogoni People Safeguard Movement.

In an official communique, the Argentine Foreign Ministry pointed out that "this inadmissible act constitutes a source of legitimate concern and consternation for the international community."

It added that the event "demonstrates the indifference of the Nigerian authorities toward the reiterated petitions for clemency made by many governments from all parts of the world."

The communique states that "the Argentine Government makes an energetic appeal to the Nigerian Government to reestablish in its country respect and observation for the state of law through a process of institutional normalization in which the basic liberties are preserved and respected without exception."

The Foreign Ministry has likewise reported that "today the Argentine charge d'affaires in Nigeria has been recalled to our country so that the Nigerian authorities learn of the Argentine point of view regarding this regrettable action."

Economy Minister Announces New Tax Measures

PY1311223195 Buenos Aires TELAM in Spanish 2347 GMT 9 Nov 95

[FBIS Translated Text] Buenos Aires, 9 Nov (TELAM) — The main aspects of the tax measures announced by [Economy Minister Domingo] Cavallo today are:

— A DGI [General Directorate of Taxation] resolution gives taxpayers who did not pay this year's down

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

payments on profit and personal asset taxes the facility to pay in up to five installments;

— these down payments on profit and personal asset taxes will not be included in the moratorium that falls due on 30 November;

— the bill approved by the National Congress that will be promulgated in the next few days creates a Fiscal Payment Certificate that will be obligatory for people travelling abroad and for other legal purposes;

— the tax and social security moratorium that falls due on 30 November will not be extended, and the DGI rejected an Industrial Union request to extend this plan to allow up to 120 installments;

— the government ratified its position not to increase taxes, but to reduce tax rates;

— there will be a reduction of active interest rates because Congress approved a reduction on the retention that the state must make on account of profits in cases of foreign loans, from 12 percent to 4.5 percent;

— the DGI approved a system of "humanitarian invoice" [factura solidaria] by which the DGI will return a percentage of the Value Added Tax [VAT] to public charity institutions that pass on to the DGI invoices or tickets collected in the community where they operate;

— prizes of the Loteriva [lottery on VAT invoices] will be increased to encourage people to request invoices with their purchases;

— a non-taxable minimum on profit tax will be imposed again next year, replacing the system that permitted deductions on what was paid in pensions on account of this tax;

— an amendment to the Tax Penal Law will establish that a penal report will be permitted only when certain amounts are involved.

Economic Secretary: IMF Goals Fulfilled

PY1311192595 Buenos Aires TELAM in Spanish 2255 GMT 10 Nov 95

[FBIS Translated Text] Buenos Aires, 10 Nov (TELAM) — Economic Programming Secretary Juan Llach announced today that Argentina fulfilled the goals of the IMF for the third quarter and will receive a disbursement of $400 million at the end of the year.

"The purpose of the (IMF) mission was to study our fiscal and monetary situation at the end of the third quarter and to see if IMF goals have been met," Llach said at the Finance Ministry.

The secretary added that the IMF mission, which will depart tonight, also analyzed a broad agreement for 1996, probably of the stand-by type for a maximum amount of $800 million.

Llach said: "We noted that IMF mission members are in broad agreement over our economic reorganization, competitiveness, and productivity. We hope this consensus will materialize in a good agreement for next year."

He said: "It will be very important to see what happens in the fourth quarter in the areas of economic activity and revenues, including the matter of the moratorium, in order to have a more accurate appreciation of how 1996 will go."

Llach reiterated: "The government is determined to implement a public spending policy to guarantee a balanced budget as of 1996."

"Thus, if revenues are at a certain level we will have a certain public spending level; if revenue levels are lower, public spending will be reduced," Llach said.

The secretary said the presence in Argentina of IMF Deputy Managing Director Stanley Fischer was due to our proximity to Chile, which Fischer was scheduled to visit.

Defense Minister: Further Budget Cuts Unbearable

PY1311190795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1603 GMT 11 Nov 95

[FBIS Translated Excerpt] Buenos Aires, 11 Nov (NA) — Defense Minister Oscar Camilion today admitted that defense budget cuts have "severely" affected Armed Forces operations. He warned that the defense sector cannot bear more budget cuts.

Camilion warned about the possibility of any further defense budget cuts, indicating that the Defense Ministry "has reached an expenditures limit that we cannot cross, at the risk of creating embarrassing situations."

In remarks to a radio station this morning, the defense minister described as "significant" this year's budget reduction. Nevertheless, he agreed with the Economy Ministry that "it is not possible to secure funds when there are no funds; adding that with the same funds in 1996, we will manage."

The defense minister clearly stated that the Defense Ministry would be satisfied with the same budget in 1996 as in 1995.

Explaining the critical situation, and unwilling to prompt internal disputes, Camilion pointed out that the Armed Forces "would manage" with these funds. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Navy Commander: Budget 'Main Concern'

PY1311192495 Buenos Aires TELAM in Spanish 1345 GMT 12 Nov 95

[FBIS Translated Text] Bahia Blanca, 12 Nov (TELAM) — Vice Admiral Jorge Enrico, Navy General Staff deputy chief, has said the main concern of the Navy is the budget. Enrico said he favors the privatization of some assets to increase the institution's revenues.

"At present, our most serious problem is the budget," said the Navy chief, adding that the institution "believes it can overcome its problems, although it will not be easy."

Enrico said the Navy "should be able to exploit its resources in all possible ways to complement the funds that the nation assigns to the institution."

With respect to the privatization of assets, the vice admiral said: "Generally, we think we can open our resources for joint exploitation."

Enrico said: "We must work closer with the community and try to exploit our resources in coordination with private companies, as was done in Puerto Belgrano with the tender for generating energy."

The vice admiral ruled out the purchase of ships saying: "The Navy has developed a five-year plan, a minimum emergency plan, that does not contemplate the purchase of needed elements."

Enrico said the plan "consists essentially of the modernization or reactivation of certain projects, including the maximum project of refurbishing the aircraft carrier that is docked in Puerto Belgrano, and the finishing of the corvette program that was interrupted in Rio Santiago."

Enrico recalled that next week, in Comandante Espora, the Navy Aircraft Workshop (TAC) will deliver the first "Traker" turbine plane, a job that was "entirely developed by our people."

"The lack of resources has increasingly reduced our production capacity," the Navy chief regretted.

Bolivia

President, Paraguayan Leader View Natural Gas Purchase

PY1411005895 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 13 Nov 95

[FBIS Translated Text] Paraguayan President Juan Carlos Wasmosy confirmed today during a news conference in the City of Santa Cruz that one of his country's top priorities is to purchase Bolivian natural gas. Following a long working breakfast with his Bolivian counterpart Gonzalo Sanchez de Lozada, Wasmosy commented on the progress made in the project to build a gas pipeline linking Bolivia and Paraguay for the supply of natural gas to the Paraguayan market, which seeks to replace the use of hydrocarbons, which are more expensive and pollutive than gas. The Paraguayan head of state announced that a team of experts will meet in Santa Cruz next week to define the amount of gas the Paraguayan market will need — ranging from 20 and 50 million of cubic feet of gas per day.

Brazil

President, Foreign Minister View USTR Decision

PY1411010695 Sao Paulo AGENCIA ESTADO in Portuguese 2216 GMT 13 Nov 95

[Report by Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 13 Nov (AE) — Brazil will not be the object of trade sanctions in the short term, but it will remain on the priority list of observation of the USTR (U.S. trade representative), for not having an industrial property rights law. The USTR today informed the Brazilian administration that it observes with "optimism" the progress made by Brazil in preparing a bill protecting intellectual property rights. The USTR will again review its list in April 1996.

U.S. Trade Representative Mickey Kantor has nonetheless stated that Brazil will continue being monitored. Last April the USTR received a complaint from the Pharmaceutics Industries Association and the Software Producers Association. U.S. pharmaceutical laboratories and software producers claim that the lack of an intellectual property rights law in Brazil causes the two industries $600 million in annual losses. According to the software producers, more than 70 percent of the computer program market in Brazil is made up of pirate programs.

The USTR is investigating Brazil and other trade partners for committing unfair trade practices — by classifying countries by different degrees of offense. If Brazil does not adopt an international standards law, it could be the object of trade sanctions based on Super 301 of U.S. trade law.

President Fernando Henrique Cardoso today said that the USTR communique demonstrates that the Brazilian Government is working with seriousness and competitiveness. "We don't need to be guided by anyone to approve what we consider correct for Brazil," he said.

Three months ago the Senate Economic Affairs Committee approved Senator Fernando Bezerra's (PMDB-RN) [Brazilian Democratic Movement Party-Rio Grande do Norte] recommendation that modified

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the text of the bill approved in the Chamber of Deputies in 1992, adapting it to the TRIPS [Trade Related Intellectual Property Rights], which deals with projects referring to the trade of intellectual property. Bezerra's version includes most of the demands made by the U.S. pharmaceutical industry, which had harshly criticized the text approved by the lower house. Bezerra's bill must still be voted on in the Senate, and then again in the Chamber of Deputies.

Foreign Minister Felipe Lampreia today said that the U.S. Government did not establish any term for Brazil to pass a new intellectual property rights bill. However, diplomatic sources say that Brazil will have to approve a new law by April. If not, the USTR could reconsider its decision of not adopting sanctions against Brazil.

The objective of the trade sanctions would be to compensate U.S. industry from the losses caused by Brazil (by the absence of an intellectual property law and by the practice of pirate activities). It is estimated that such losses could amount to something between $900 million and $1 billion per year, counting the harm caused to the pharmaceutical, chemical, software, and video industries.

President Recalls Envoy in Protest Against Nigeria

PY1311210095 Sao Paulo AGENCIA ESTADO in Portuguese 1947 GMT 13 Nov 95

[FBIS Translated Text] Brasilia, 13 Nov (AE) — President Fernando Henrique Cardoso has just announced that he has recalled Brazilian Ambassador to Nigeria Geraldo Muzzi in protest over the hanging of nine human rights activists in Nigeria.

Cardoso said: "We cannot endorse repeated acts of disrespect for human rights," adding: "This is a way of showing dissatisfaction over repeated violations of human rights."

Senate President Jose Sarney (PMDB-Ap) [Brazilian Democratic Movement Party-Amapa] has just delivered a speech asking the president to recall the Brazilian ambassador to Nigeria.

Army Minister Coordinates Efforts Against Arms Smuggling

PY1311184795 Sao Paulo AGENCIA ESTADO in Portuguese 2145 GMT 10 Nov 95

[Report by Chico Otavio]

[FBIS Translated Text] Rio de Janeiro, 10 Nov (AE) — Army Minister General Zenildo Lucena is coordinating a joint effort by four ministries, seeking to repress the smuggling of weapons across the border between Brazil and Mercosur [Common Market of the South] countries. Two weeks ago he sent a ministry note to Finance Minister Pedro Malan, Foreign Minister Luiz Felipe Lampreia, and Justice Minister Nelson Jobim, warning that the Brazilian weapons exported to Mercosur are returning to Brazil to supply organized crime.

According to information that the Foreign Trade Department (Decex) of the Banco do Brasil provided to the federal police, the Paraguayan town of Pedro Juan Caballero, on the border with Mato Grosso do Sul, is one of the main stations for the smuggling of weapons into Brazil. Many of those arms are banned on the Brazilian market because of their caliber. In only 10 months (July 1994 to April 1995), two Brazilian arms manufacturers exported 22,000 weapons of various models to two stores in Pedro Juan Caballero. Many of those were arms such as shotguns, 9 mm pistols, and 44 Magnum and 357 Magnum revolvers.

Lucena's note is the first concrete step following a meeting held in October in Rio de Janeiro by General Antonio Roberto Nogueira Terra, chief of the Army Directorate of Supervision of Controlled Products; General Nilton Cerqueira, the Rio de Janeiro security secretary; and a federal police delegate. During the meeting, Gen. Nogueira Terra was impressed at the information that Pedro Juan Caballero (in Paraguay) has only 30,000 inhabitants, which would give it a proportion of almost one Brazilian-made weapon per person.

Colonel Silva e Luna of the Army Social Communications Center said that even though Gen. Lucena referred to the Brazilian borders with Mercosur countries, the cities about which there is more concern are Pedro Juan Caballero, located across from the Brazilian border town of Ponta Pora (Mato Grosso), and Ciudad del Este — formerly Puerto Stroessner — which is separated from Foz de Iguacu (Parana) by a bridge. Col. Silva e Luna did not say whether the Army Ministry asked, in the note sent to the Foreign Ministry, for measures from the Paraguayan authorities, in order to restrict arms sales at the retailers' level.

The Federal Police and the Federal Revenue Secretariat together have no more than 10 officials in Ponta Pora. This number of officials is considered insufficient for repressing the illegal reentry of arms across the border. This explains the increasing number of "bag carriers" (small-scale smugglers who go to Paraguay), who for two years now have no longer been enticed by tennis shoes and other merchandise, and have begun to engage in heavy weapons smuggling. There is also an increasing numebr of cocaine seizures linked with arms, coming in trucks from Bolivia and Paraguay.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Finance Minister Negotiates With Governors Over 'Funds'

PY1311190395 Sao Paulo AGENCIA ESTADO in Portuguese 2234 GMT 10 Nov 95

[By Ribamar Oliveira]

[FBIS Translated Text] Brasilia, 10 Nov (AE) — The government has adopted a new currency for negotiating loans with states: the "fund." One "fund" is equivalent to a one-month allocation, from the State Participation Fund (FPE), which each state government receives. The governors who want Finance Minister Pedro Malan to authorize the provision of two "funds" will have to submit themselves to a regimen specified by Finance Ministry specialists. Within the emergency program, governors may do whatever they want with federal money worth up to two "funds."

Minister Malan told the governors whom he met that the emergency program — which has a 2-billion-real fund — will be implemented after 15 December. The finance minister expects to find the source of these funds before that date. Federal Savings Bank [CEF] President Sergio Cutolo does not want CEF to invest money in this project. Malan also expects to establish the cost and the time period for the credit line that will be opened to governors.

The governors who meet with Malan do not like current conditions. "It is very expensive," said Maranhao Governor Roseana Sarney (PFL) [Liberal Front Party] today. She is entitled to two "funds," which in her case amount to 96 million reals. Until today, the interest was equivalent to the TR (Reference Interest Rate) plus 0.5 percent, with an 18-month repayment period. She said: "I am travelling to Washington to see if I can get a World Bank loan at a lower rate."

Malan will demand a special regimen from the governors who want more than two "funds." The regimen provides for an economic adjustment program that includes dismissals, salary restrictions, privatization of state-run companies, and a couple of other measures from the list that the IMF usually demands from the countries that ask for a loan.

Paraguayan Officials Provoke 'Uneasiness' in Trade Talks

PY1411005595 Sao Paulo AGENCIA ESTADO in Portuguese 2230 GMT 13 Nov 95

[Report by Beatriz Abreu]

[FBIS Translated Text] Brasilia, 13 Nov (AE) — A Paraguayan Government delegation today provoked uneasiness at the Brazilian Finance Ministry when members of the delegation charged the Brazilian officials with trying to resolve "a corruption problem" by limiting the purchases by Brazilian tourists in Paraguay. Ruben Fadlala, head of the Paraguayan General Customs Directorate, angrily said: "As a sovereign country, Brazil may take the appropriate measures to fight corruption. But it cannot use us as a scapegoat."

Fadlala met with Everardo Maciel, head of the Brazilian Federal Revenue Secretariat [SRF], who ruled out the possibility for the Brazilian Government to cancel its earlier decision of reducing from $250 to $150 the ceiling value for items each Brazilian tourist may introduce into Brazil from Paraguay by land, river, or lake. Air travelers continue to be allowed to bring $500 from Paraguay or from any other country.

Despite the friction, Marcelo Jardim, chief of the Foreign Ministry Department for South American affairs, has confirmed that the Brazilian Government will adopt new measures to restrict illegal items coming from Paraguay. According to Jardim, the SRF will require passengers to fill out a baggage declaration, that each baggage carry the name of the owner, and that quantity limits be established for purchases of given items to avoid creating "trading opportunities." Today's meeting was not a conclusive one. It has been agreed that a task group consisting of representatives from both countries will meet again to discuss new measures with a view to transforming "bilateral trade into legal trade."

Fadlala was accompanied by Dido Florentin, the Paraguayan ambassador to Brazil, who toned down his criticism. He said: "We do not agree with the new limit because we do not believe it will bring any solution to the Brazilian problems." Jardim, for his part, gave the Brazilian view in the tense negotiations. He said: "We should note that 10,000 buses monthly come into Brazil from Paraguay with imported items." He added: "If we take into account that each bus carries 40 passengers, and that each passenger spends $1,000 on each trip, in one year this will total $4.8 billion."

Ambassador Florentin argues that the Paraguayan sales to "Brazilian bag people" [small-time smugglers] may not amount to more than $1.5 billion annually. Florentin also complained that a fair of smuggled goods in Brasilia has been named the "Paraguay Fair," which appears to be an attempt to link Paraguay with smuggling.

The most excited one was, however, Fadlala. He said: "Paraguay should not be blamed for Brazilian domestic problems." He was thus criticizing the SRF work in checking "containers" going in transit through the ports of Santos and Paranagua. He charged that "a great deal of items do not reach Paraguay because they are diverted

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

along the way. [no end quotation marks as received] He also charged that Brazilian customs officials do not check items arriving by plane in Foz do Iguazu.

Benefits of Membersip in ISO Council Viewed

PY1311233595 Sao Paulo AGENCIA ESTADO in Portuguese 1851 GMT 12 Nov 95

[Report by David Felisimo]

[FBIS Translated Text] Sao Paulo, 12 Nov (AE) — Brazil can now interfere in the policies and strategies of international standardization established by the International Standardization Organization (ISO). Brazil was elected a member of the ISO Council last September, and thus has the right to speak and vote in the formation of technical committees and in the definition of criteria for their operation. This is an important position to help defend the interests of Brazil and of other countries in the Third World in the political negotiations that take place when ISO certificates are used as trade barriers.

Antonio Marcio Avellar, president of the Brazilian Association of Technical Standards [Associacao Brasileira de Normas tecnicas — ABNT], says that as member of the ISO Council, Brazil can prevent the ISO committees from being structured in a protectionist manner. The ISO committees are mainly controlled by representatives of rich countries especially from Europe, and they are often organized in a such a manner that their coordinators hold a lot of power at the moment of, for example, defining criteria for the concession of certificates. "We will participate in the definition of the rules of the technical committees," Avellar said.

Brazil's strategic position is particularly important now, when the organization is beginning to define criterion for the granting of ISO 14000 certificates, the so-called green ISO, which will guarantee the environmental quality of companies in the whole world. The lobbies of European environmental consulting companies are exerting heavy pressure, and last June they almost managed to establish a certification criteria that benefited only them.

Be it a coincidence or not, when a committee defines criteria of certification it is presided over by a European consultant, said Austregesilo Guimaraes, technical assistant of the Vale do Rio Doce company and Brazilian delegate to the subcommittee in Norway last June, when the maneuver by the Europeans failed by little. It was the Brazilian action that changed the course of the talks and prevented greater harm to companies in the whole world, which were practically being sentenced to contract European consultants "who control this kind of auditing market," Guimaraes said.

Editorial Views National Energy 'Syllogism'

PY1111020695 Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Nov 95 p 12

[Editorial: "The Palm of the Hand"]

[FBIS Translated Text] Nowadays the energy strategy in Brazil is formulated as a syllogism: 1) Resumption of growth demands a vigorous development of energy sources; 2) now that the south-southeast hydroelectric system has been exhausted, the transmission of hydroelectrical power from the Amazon Region to the large consumption centers is essentially unfeasible in the medium term, for environmental, technological, and economic reasons. Therefore, 3) the large Brazilian reserves of uranium and strategic minerals offer the best solution to the country's problem.

We must remember that uranium, through nuclear energy, is currently the third largest source of electrical energy in the world. We must also remember that by the year 2000, electricity obtained through nuclear power will probably become the second source of electricity generation worldwide, surpassed only by coal. If Brazil is not self-sufficient in fossil fuels (oil, coal, and natural gas), it at least has the fourth largest uranium reserves in the world (right after Australia, Nigeria, and Canada). Its reserves total nearly 300,000 tonnes of uranium oxide, which is equivalent to 11 percent of all known reserves. This is, therefore, the solution.

At the very moment the first uranium field commercially exploited in Brazil — the one in Pocos de Caldas — is becoming exhausted due to the diminishing concentration of uranium, resumption of Angra-2 construction demands new mining exploration. The reason is that the international market is rather unstable and prices will probably increase over the next 10 years.

The signing, in a few weeks, of contracts between Furnas Electric Power Plants, Inc. and the companies that win the tender bidding for the electro-mechanical assembly of Angra-2 has functioned as a green light for the state-owned Nuclear Industries of Brazil (INB), which replaces Nuclebras. It can now exploit a uranium deposit that is richer and more economically feasible than the Pocos de Caldas one: the Lagoa Real deposit in Caetite county, in the southwestern part of Bahia State. It has a 15,000-tonne reserve of uranium and requires a relatively modest investment of $23 million (the Itataia deposit in Ceara State demands a $120-million investment).

The compensating benefits of this investment are spectacular: One tonne dug in Pocos de Caldas yields 800 grammes of concentrated uranium, while the same tonne dug at Lagoa Real will yield 3 kg. The new mine will

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

probably go into operation in two years and will have the capacity to produce 300 tonnes of uranium per year. The uranium found in the semi-arid area of Bahia State will be enough to supply Angra-2 with fuel at a price that can compete in the international market.

There is one more auspicious bit of news: Brazil will begin to dominate two more important stages with regard to nuclear fuel. The INB Administrative Council has recently approved the project for installation of the units that will convert uranium into powder and to manufacture uranium pellets in Resende county, Rio de Janeiro State. Thus far, these processes could only be conducted abroad. The estimated investment in these two projects totals $20 million and will be implemented with technology transferred by the German company Siemens.

Let us do some calculations. The two stages with regard to nuclear fuel that are currently ensured represent, in total, 49 percent of the overall cost of the fuel. The first stage is that of uranium mining and the production of concentrated uranium or yellow cake [preceding two words in English], and the second is that of manufacturing the fuel element. Adding to these the stages consisting of converting yellow cake into powder and manufacturing the uranium pellets — which, adding the two together, represent 12 percent of the overall cost — Brazil will now reach 61 percent of the added value.

The only stages missing are those of converting concentrated uranium into uranium hexafluoride (which is the second) and of isotopically enriching uranium (the third one), which have been developed in Brazil — at the laboratory level — at the Institute for Nuclear and Energy Research, the National Nuclera Energy Commission, and the Navy's Aramar Center in Ipero (Sao Paulo).

Depending upon a political decision, Brazil will continue, for some time longer, to send yellow cake to England and France, where it will be converted into uranium hexafluoride and isotopically enriched. It is important to point out that if the first conversion into UF6 gas represents 6 percent of the added value, the isotopic enrichment represents 26 percent and is, thus, the most important process in the six-stage cycle.

It is not a secret that only a few countries in the world — among them the United States, England, France, Germany, and Russia — possess this technology, and that they all make it very difficult to transfer the technology. This is why Aramar is important. It is responsible for the autonomous development of the ultracentrifuge process, now that it has become clear that the process of enriching uranium through the jet nozzle, which had been done in dealings with Germany, does not work.

Let us examine the strategic issue. Brazil's overall problem now is to reconcile economic development and stability. The reforms that are currently taking place have the objective of ensuring that a new, long cycle of growth can be sustained through administrative reorganization and the establishment of partnerships and privatizations, which will solve the problem of the tasks that are not specifically a responsibility of the government and that cannot be postponed or by-passed. They include health, education, security, agriculture, and employment.

These five areas, which were represented during Fernando Henrique Cardoso's electoral campaign by the five fingers of a hand, would not be complete without the palm that supports them: the country's infrastructure, which consists of energy, transportation, and telecommunications. This infrastructure makes the agrarian reform, the Common Market of the South, and the new industrial incentives feasible.

It is not by chance that the Volkswagen company, as well as other enterprises, have chosen to install their plants in Resende. A tacit accord has been reached with Germany for the supplying of energy to Angra-2. It is enough to observe that demand for energy in Rio de Janeiro State in 1995, which had been estimated at 3 percent, will reach the level of 8 percent. This is just the beginning of the process.

Roundup of Economic Reports Through 13 Nov

PY1311163895

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 13 November:

BASIC LEADING INDICATORS

Workers' Purchasing Power — According to monthly surveys made in Greater Sao Paulo by the Seade Foundation and by the Interunion Department for Statistics and Socioeconomic Studies, workers earning lower salaries have increased their income through the Real Plan. At the start of the Real Plan in July 1994, the workers earning monthly salaries of up to 101 reals are earning up to R138 today. This increase accounts for a growth rate of 36.6 percent above the inflation rate during the period. In the same period, registered workers increased their income by 22 percent. In the sector of workers earning higher salaries, those earning up to R1,522 in June 1994 are earning R1,593 today. Sinesio Pires, socioeconomic analysis manager of Seade Foundation, has said that income has been transferred from

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the middle class to lower income workers. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 95 p B9)

Economic Deceleration Continuing — The Brazilian Institute of Geography and Statistics — IBGE — reported on 10 November that in the third quarter of 1995, Brazilian production dropped by 1.3 percent in comparison to the second quarter. In the second quarter of 1995, production dropped by 4 percent compared to the first quarter. This means that economic deceleration continues, although at a lower rate. The processing industry and the commercial sector were the main factors accounting for the drop in the GNP between the second and third quarters of 1995. (Sao Paulo AGENCIA ESTADO in Portuguese 1325 GMT 10 Nov 95)

GNP Growth Reported — The IBGE has reported that the Brazilian GNP grew by 6.29 percent between September 1994 and September 1995, and that thus far in 1995, the GNP has grown by 5.33 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 2122 GMT 10 Nov 95)

FINANCIAL OPERATIONS

Iron and Steel Plant — On 10 November, Maranhao Governor Roseana Sarney informed President Fernando Henrique Cardoso that on 8 November she signed a protocol of intention with local and foreign private groups for construction of an iron and steel plant in the industrial area of Sao Luis. The project entails a $1 billion investment over the next eight years. The first phase of the project, budgeted at $120 million, will be completed at the end of 1997, and will permit production of 1 million tonnes of pig iron annually. The second phase of the project, budgeted at $400 million, will permit production of 2 million tonnes of semi-processed products. The third phase of the project, in which $500 million will be invested, will be completed in 2003. (Sao Paulo AGENCIA ESTADO in Portuguese 2307 GMT 10 Nov 95)

TRADE ISSUES

Growing Exchanges With Hong-Kong Noted — In the first eight months of 1995, trade between Brazil and Hong-Kong grew by 97 percent, while Brazilian exports to Hong Kong dropped by 19 percent. Brazilian iron and steel bar exports dropped by 74 percent, while cotton exports simply disappeared from statistics. In the first eight months of 1995, Brazilian imports from Hong Kong amounted to $886.1 million, while Brazilian exports to the former colony amounted to $244.38 million. (Sao Paulo AGENCIA ESTADO in Portuguese 2326 GMT 9 Nov 95)

Petrobras To Buy Angolan Oil — In January 1996, the Brazilian Petroleum Corporation will begin buying 20,000 barrels of oil per day from the Angolan National Fuel Society. Forty-five percent of the oil revenues will be converted into credits for acquisition of Brazilian consumer and capital goods. In 1994, the Brazilian-Angolan trade balance registered a surplus of approximately $100 million, which was favorable to Brazil. (Sao Paulo AGENCIA ESTADO in Portuguese 2359 GMT 9 Nov 95)

Chile

Foreign Minister: Ties With U.S. 'Never' Better

PY1011190095 Santiago EL MERCURIO in Spanish 9 Nov 95 p C6

[FBIS Translated Text] Chilean Foreign Minister Jose Miguel Insulza and Gabriel Guerra Mondragon, U.S. ambassador in Santiago, agreed that the relationship between the two countries has never been better than now.

They both raised the issue during the working breakfast held yesterday with journalists after an agreement was signed between the Chilean Government, AID, and the University Promotion Corporation to assess the effects that the trade agreements Chile is signing will have on its laws.

Referring to Chile's relations with the United States, Insulza said he couldn't remember when they had been at a better level, aside from some specific pending issues "that exist but which I do not think will affect the overall panorama."

U.S. Ambassador Guerra Mondragon said that the agreement signed represents another step in the good relationship that currently prevails between the Chilean and U.S. Governments.

He then added: "As I have said on several occasions, the current relationship between the two countries has never been at such a good level, on such a good footing, and as strong as it is now."

Insulza said that in the relationship between the two countries, one mustn't forget the political and commercial situations that together make the relationship between the two countries good. Quoting what the ambassador had just said, Insulza commented that "the relationship is the best we have ever had."

Regarding the pending issues between the two countries, Insulza said that one refers to the NAFTA negotiations and the other the case of the cyanide-laced grapes.

Regarding the first issue, the foreign minister recalled that the most substantive "fast track" [two preceding

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

words in English] aspect is in the hands of the U.S. Congress. "We will continue working, making our efforts with the three involved countries in the hopes that this will materialize — which it will, sooner or later."

In referring to the grapes case, after the U.S. Supreme Court rejected the proposal of the private Chilean businessmen, Insulza recalled that he has not discussed this issue with the U.S. ambassador.

He explained that he had not done so yet because a special commission that will study the case has been established and that "the issue will not be raised until the commission discloses its report."

Socialist Leaders' Office Bombed

PY1111001095 Santiago LA TERCERA DE LA HORA in Spanish 8 Nov 95 p 33

[FBIS Translated Text] Special Carabineros units are investigating a bomb attack perpetrated before dawn on 7 November against the political office of Socialist Deputy Jaime Estevez, president of the Chamber of Deputies, and Socialist Juan Pavez, councilman of the Puente Alto municipality.

The attack occurred at 0430 and damaged the office, located at 278 Santa Elena Street, in Puente Alto.

According to information gathered by the Carabineros, two individuals hurled the bomb at the gate of the building. The guard on duty called the Second Fire Department, which managed to put out the fire.

Estevez ruled out the possibility the attack had political connotations. He didn't want to give an opinion before the investigation concludes, but he did say this incident could be related to the all-out struggle he and Pavez are carrying out against hoodlums, crime, and drugs.

Labor Union Rally Ends With 3 Wounded, 13 Arrested

PY1011145595 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 10 Nov 95

[FBIS Translated Excerpt] The rally staged by the United Workers Confederation [CUT] —during which its president Manuel Bustos was unable to end his speech — ended with isolated incidents that resulted in 13 arrested people and three slightly wounded Carabineros officers.

Bustos left the podium when a group of people who were not participating in the demonstration started throwing various objects at them.

In other regions of the country, however, the CUT rally unfolded normally. [passage omitted]

Groups of workers, students, and even representatives of member parties of the Coalition of Parties for Democracy and the leftist sector marched from the opposite ends of Bernardo O'Higgins Avenue and met on the corner of Cumming Street, where a great podium had been set up.

The first to address the crowd was Sola Sierra, president of the Organization of Relatives of Arrested/Missing People. In a vigorous speech she rejected the possibility of a Law of Expiration. Sierra's speech was followed by one by Manuel Bustos in which he demanded an expeditious approval of the labor reforms. [passage omitted]

Bustos, however, was unable to finish his speech because he was booed by the crowd, which also threw eggs at him.

Once the CUT rally ended, groups of demonstrators started bomb fires near the podium. Later on, incidents started along Bernardo O'Higgins Avenue where a large group of individuals started throwing stones at the vehicles, stores, and the police.

The special forces deployed by the Carabineros resorted to water cannon and tear gas bombs in an attempt to stop the incidents, which spread several blocks along the avenue.

The Carabineros issued a preliminary report on the damages.

[Begin recording of unidentified Carabineros officer] According to the Carabineros, three people were wounded, one of them not too seriously and the other two only slightly. We are also assessing the damages caused to public and private poverty. [passage omitted]

First Air Force Attache to Moscow Designated

PY1411005795 Santiago LA TERCERA DE LA HORA in Spanish 10 Nov 95 p 14

[FBIS Translated Text] General Fernando Rojas Vender, Chilean Air Force (FACH) commander in chief, has introduced to Defense Minister Edmundo Perez Yoma the officer who, for the first time in Chilean history, will be the Chilean Air Force attache to Moscow, capital of the Russian Federation.

He is Air Force Colonel Alejandro Korolkov Bernard. According to the FACH, this designation complies with "the significant technological exchange in the airspace field established between Chile and the Russian Federation."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Korolkov is a war pilot, married to Ximena Rosse, with no children. His parents are Russians. He will be attached to that post for a period of two years, beginning in December.

Insulza Stresses EU Decision on Agreement

PY1411010895 Santiago EL MERCURIO in Spanish 11 Nov 95 p C6

[FBIS Translated Text] Chilean Foreign Minister Jose Miguel Insulza yesterday expressed his satisfaction over the approval of the negotiation guidelines for a cooperation framework agreement between the European Union [EU] and Chile.

He explained, however, that he cannot make a statement on an internal document of the community bloc.

This was learned in Santiago through a press communique released on Thursday in Brussels, which establishes that the EU will negotiate a new agreement with Chile.

"We cannot make a statement based on a communique, but we are very happy that it did happen this way and that things are taking place according to our timetable," the minister said.

"We have said that we wanted the commission to withdraw its proposal to the (European Union) council this month, and it was done, and now we hope the council will review it before the end of the year so as to conduct negotiations during the first half of next year. But I cannot say anything on the so-called negotiation guidelines because they are an internal document of the commission, a very lengthy document, and what we have learned of is only a communique," the foreign minister said.

Chilean Envoy: Tax Reduction Threatens APEC Objective

PY1011151195 Santiago EL DIARIO in Spanish 9 Nov 95 p 18

[FBIS Translated Text] Tax reduction on agricultural goods may jeopardize the APEC's [Asia-Pacific Economic Cooperation] main objective: to attain a complete trade liberalization among the economies of the zone. Emilio Ruiz-Tagle, Chilean representative before the APEC higher authorities, said that the reason is that Japan, Korea, China, and Taiwan have expressed some hesitation to reduce taxes on some of their agricultural goods.

He said that "many countries, including ours, do not accept exceptions and this is why they have set the years 2010 and 2020 as the deadline for reducing tariffs and make the necessary adjustments." He added that if exceptions on agricultural goods are accepted there is a risk that other economies may refrain from including those sectors they wish to protect and "this would distort the whole purpose." However, he assured that a mechanism to overcome this impasse will be found because the APEC's purpose is to free and expedite trade and investments.

The framework to attain this objective should be approved during the summit starting on 8 November in Osaka, Japan. The main guidelines of the agenda include the need for the tax reduction schedules to be consistent with the WTO agreements, that they be clear, indiscriminative, and free of exclusions.

The idea is that during the meeting in the Philippines, the 18 economies that comprise the organization submit their unilateral liberalization plans. However, they will also discuss collective actions with the purpose of making the programs more balanced due to their different degrees of development.

On this occasion the member countries must also submit their tax-reduction schedule, including services, although it has still not been determined whether it is better to place more emphasis on the first five years and only establish the guidelines for the following years.

'Final Text' of Human Rights Bill

PY1011003595 Santiago EL MERCURIO in Spanish 8 Nov 95 p C2

["Final text" of new human rights bill agreed upon by the administration and the National Renewal Party, RN, submitted to the Senate Constitution, Legislation and Justice Committe on 7 November]

[FBIS Translated Text] Article 1: In those legal processes investigating the disappearance of one individual or his presumed accident, or however the case is labeled, that occurred between 11 September 1973 and 10 March 1978, the proceedings will be substantiated based on the following regulations:

(a) The actions undertaken against the accused will be in compliance with what is established in clause one of Article 247 of the Code of Penal Procedure, and the terms established under the following letter (b). Consequently, those involved in these legal processes will not be brought to trial or subjected to what is established in the following articles: 255; 275, clause three; 276, second clause; and 279 bis [preceding term in Latin], second and third clauses, of the same code.

(b) The identity of any person summoned to testify and the fact that he has been summoned will be kept secret. The testimony supplied at the request of the summoning

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

party will be conducted at a site outside the court house to be determined by the court, which, in turn, will adopt the necessary measures to safeguard the identity of the deponent. Personal data on the identity of the deponent will be registered in a separate, special, and secret notebook that is to be kept in the custody of the court secretary and that will be destroyed when the case is definitively dismissed through a nonappealable ruling.

(c) Once the remains of a person reported as missing have been located, the necessary proceedings will be adopted, after prior notification of the next of kin, to proceed with the exhumation and subsequent burial.

(d) In those cases encompassed in articles 53 bis, 158 second and 197 second clause of the Code of Penal Procedure, the judge will instruct the military or naval court, whichever is appropriate, to appoint a judge from among the members of the Appellate Court, who will be entrusted with enforcing the ruling. [sentence as published] The respective ruling and the ensuing steps will be kept secret and evidence of them will be registered only in the secret notebook referred to in letter (b) of this article.

(e) The documents referred to in article 53 bis that are to be added to the legal process must be attached in a separate, special, and secret notebook that will be kept in the custody of the court secretary. Once the case is dismissed, the documents will be returned to the institutions of origin, and;

(f) If the records encompassed in the legal case and the new evidence collected in the investigation justify it, those legal cases that have been temporarily dismissed will be reopened at the request of the spouse, ascendants, descendants, or siblings of the individual reported as missing.

Article 2: Infractions relative to what is established in letters (b), final phrase, and (d), Article 1, and clause one of Article 4 will be penalized with sentences encompassed in clause two of Article 246 of the Penal Code.

Article 3: On the basis of the number of existing cases, the president of the Supreme Court will appoint one or more judges who are experts on criminal cases. These judges will devote themselves exclusively to handling those cases encompassed in clause one, Article 1 of this law, which are currently handled by the courts in charge of criminal cases under the jurisdiction of a single Court of Appeals. Furthermore, the president of the Supreme Court will distribute these cases among judges of his choosing, determine the place or places in which they will conduct their duties, and appoint the secretaries and administrative personnel who will assist them.

For all legal purposes, the appointments to be made by virtue of what is estblished in this article will be described as a public service commission that cannot exceed one year and that must be renewed. The replacement of the judges and secretaries appointed to a public service commission will be done in compliance with the regulations established in the Courts Organizational Code. By virtue of what is established in this article, those rulings issued by the Supreme Court President are unappealable, and will be considered enforceable as of the time of their issuance.

Article 4: Those individuals who voluntarily supply information or details that may help to locate the whereabouts or determine the death or location of the remains of the person reported as missing will be entitled to testify in secret. In view of this, nothing will be written and there will be no official registration of his name or any personal data that may allow his identification or individualization. The only thing to be left on record will be those facts that will help establish the whereabouts or determine the death or location of the remains of the individual reported as missing. Furthermore, they cannot be arrested, brought to trial, or compelled in any way whatsoever to disclose their source of information or to testify about the person or persons responsible for the disappearance, death, or disposal of the remains of the person reported as missing.

All judges in charge of criminal cases, in strict accordance with the preceding clause, will be obliged to receive any and all information that is voluntarily surrendered to determine the whereabouts or death or location of the remains of the person reported as missing and that has initiated a process encompassed in Article 1. The information received will be submitted to the judge entrusted or familiar with the respective case. If it is deemed appropriate, in compliance with the regulations established in Article 1 of this law, and in a separate notebook, the judge, in turn, may undertake the proper proceedings to ascertain the veracity of the information received. The aforementioned will not imply in any case the reopening of the processes that have been definitely dismissed.

So that the judges in charge of criminal cases may know to which court they should submit the information that is supplied to them, those judges in charge of criminal cases who have received or are aware of processes encompassed in clause one of Article 1 must submit before the Supreme Court the name of the person or persons reported as missing in these processes. With the information gathered, the Supreme Court will draft a list containing the name of the person in question, the classification of the claims on the disappearance

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the individual, and the court that is hearing or investigating the case. Whenever the president of the Supreme Court makes use of the power with which he is vested in Article 3, the name of the judge who has been designated to handle the case and the place where he is operating will be established.

Article 5: Those cases encompassed in Article 1 of the current law will be ruled by what is established in this law, whereas those situations that are not encompassed in this law will be ruled by the Code of Penal Procedure and the legislation in force.

Reaction to PC Showing in Recent Elections

96P20086A

[FBIS Media Note] The recent Communist Party (PC) victories in the elections of the Teachers Union and the University of Chile Student Federation have given rise to commentary about the performance of the governing Coalition of Parties for Democracy (CPPD) and revived the idea of a pact between the CPPD and the parties like the PC that are not currently represented in the congress.

In the Teachers Union elections held on 12 October, communist Jorge Pavez won by an overwhelming majority over the other candidates, including current President Osvaldo Verdugo, a Christian Democrat (PDC). PDC President Alejandro Foxley called this result "regrettable" and said that party leaders have not succeeded in explaining to the teachers the benefits they have received under the democratic governments. PC Secretary General Gladys Marin said that the victory was a "clear defeat" for the CPPD and confirmed that the PC policies have been "correct." Verdugo stated that in his opinion the CPPD continues to be the majority force both among the teachers and nationally. (Santiago LA NACION, 13 and 14 October)

Rodrigo Roco, a music student running for the PC, won the presidency of the University of Chile Student Federation (FECh) in elections held on 23-24 October, after a two-year lapse in the organization's existence. Socialist Party (PS) president Camilo Escalona and Party for Democracy (PPD) leader Jorge Schaulsohn agreed that the Coalition parties would have won if they had been able to agree on a common list of candidates; Escalona blamed the PDC for refusing to run with the socialists. However, PDC Vice President Jorge Pizarro said that although this could have been one factor in the high number of votes the PC received, he did not believe it was the only one. Marin, for her part, said that the defeat of the Coalition parties was due to their "demagoguery" in promising changes that they did not carry through on. She predicted that the PC could win elections in the upcoming Mining Confederation congress, the El Salvador miners union, the United Workers Confederation (CUT), and the National Health Workers Federation. (Santiago EL MERCURIO, 26 October)

Most commentary focused on the results of the two elections as "punishment votes" against the CPPD. Jaime Castillo Velasco, president of the Human Rights Commission, attributed the PC victories to the image of the CPPD as "strongly divided" and the fact that it "does not show itself as a front for democracy and social justice." For Arturo Fontaine Aldunate, an adviser to the conservative Public Studies Center, the PDC and PS have failed to appeal to those seeking the sense of "equitable social redistribution and class struggle" that the PC offers.

According to sociologist Tomas Moulian and communist leader Jorge Inzunza, the results showed the government's "deficiencies" in social issues. Moulian stated that the fact that people have turned to an "almost marginal" party of "old ideas" should be considered a "wake-up call" for Chile's political leadership. Inzunza saw the results as reflecting the defeat of the PDC and the CPPD as their model for society fails. (Santiago LA NACION, 26 October)

Juan Antonio Coloma, secretary general of the Independent Democratic Union (UDI), said that the results show the "profound disillusionment" with the CPPD in the country, which translates into a loss of votes to the PC. Coloma said he believes that people see that the governing parties are not solving the people's problems, so they look for alternatives. (Santiago EL MERCURIO, 27 October)

According to UDI president Jovino Novoa, the PC victory in the FECh is due to a "large sector of discontent young people," which the opposition parties were not able to attract because of "undefined positions." National Renewal (RN) Deputy Alberto Cardemil said that the PC victories are a "clear example" that people are drawing away from traditional political groups. He asserted that the parties are to blame because "we have concerned ourselves with debating how to divide up power instead of asking what we should do with power." (Santiago LA NACION, 26 October)

The PPD's Schaulsohn stated that the election results show that the current binominal electoral system artificially excludes some groups, and according to one report, this has given "new life" to the question of a possible "tactical agreement" between the CPPD and the leftist parties not represented in the congress to promote changes such as electoral reform. There have been attempts to set up a socialist/communist alliance for the upcoming CUT elections. PPD Deputy Victor Barrueto

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

has proposed a pact for the next national elections so that reforms may be passed in the event the government's current constitutional amendments fail. The proposal was also supported by PS President Escalona.

The PDC has drawn up a working paper signed by 18 party leaders, including Deputies Ignacio Balbontin, Gabriel Ascencio, and Exequiel Silva, called "A Great Democratic Agreement," which was presented to the party's national council on 11 September. The document stated that the CPPD should call on all sectors to obtain a legislative majority in the 1997 elections to end the "authoritarian enclaves and heal our democracy." Although the PDC's Pizarro denied that the issue has been discussed, national adviser Humberto Burotto asserted that the debate is occurring, although "there will always be people opposed to the proposals." Some party members who support the paper, such as Rafael Moreno and Ivan Navarro, have asked that the issue be discussed at a party congress. (Santiago LA NACION, 27 October)

Colombia

Recent Terrorist Attacks Said Possibly Linked

96CA0043A Santa Fe de Bogota EL TIEMPO in Spanish 5 Nov 95 p 6A

[FBIS Translated Text] Four contacts with news media in which responsibility is claimed for three terrorist attacks during the past six months are the strongest clue for shedding light on the type of organization that lies behind the assassination of Alvaro Gomez.

Furthermore, the comparison of the tape recordings in the authorities' possession indicates that this group also was behind the attack on the president's lawyer, Antonio Jose Cancino, and the bomb set against Fernando Botero's sculpture in Medellin.

Last Thursday, while the doctors at the Country Clinic treating Alvaro Gomez Hurtado were fighting to save his life, a cassette reached the hands of the assistant news director of the RCN radio network, Francisco Tulande.

On it, an individual with a disguised voice took credit, in the name of the group called Dignity for Colombia, for the assassination of the Conservative ex-appointee. After carefully listening to the tape, which lasted five minutes, the journalist Tulande showed it to the network's director, Juan Gassain, and the pair made the decision to turn it over to the authorities.

At the same time, the "National Newscast" reported having received a call from the terrorist group, Dignity for Colombia, claiming responsibility for the attack.

Another tape reached the headquarters of CARACOL and, according to sources from the radio network, its content and wording are quite similar to those on the tape received by RCN.

Upon hearing it, Juan Dario Lara, chief of the editorial staff, immediately called Spain, where his chief, Dario Arizmendi, was located. The latter contacted the company's president, Ricardo Alarcon, who issued an order for the cassette to be sent to the president of the Republic and the director of police, Rosso Jose Serrano.

That same Thursday afternoon, Marcos Ruiz, an employee of a Bogota company, was approached and kidnapped by three individuals, who forced him to take notes from a taped message and carry them to the RCN headquarters. According to sources from this radio network, in the message the individuals again claimed responsibility for Gomez' assassination, stating that they belonged to Dignity for Colombia. "We won't be intimidated, and we'll run over anyone, whoever it may be."

The analysis of these cassettes, with the tape recordings of the calls taking credit for the attacks on the president's lawyer, Antonio Jose Cancino, and the work of the sculptor, Fernando Botero, on 10 June of this year in Medellin, reveals a direct relationship between these three terrorist acts on the part of a single organization which, at first, appeared to be a dissident group from the Cali and Medellin Cartels, and was later transformed into the self-styled Dignity for Colombia.

The First Contact

On 10 June, the day of the bomb explosion in Medellin's San Antonio Park, someone contacted RCN to take credit for the act. On that occasion, the spokesman claimed to belong to a newly created organization in Valle: "the same one that destroyed the intelligence guy in Buga," referring to the murder of the SIJIN [Judicial and Investigative Police] chief, Sergeant Oscar Mario Munoz Cruz, on 7 June 1995.

The spokesman said that the motive for the attack was to respond to the persecution with which their families were being victimized in Cali. He predicted that the terrorist acts would continue to occur in Medellin, "because that minister (referring to Fernando Botero) and the majority of officials (of the Army and the police) are from there."

In his statements, the anonymous speaker clearly indicates that the organization's members were very aggravated at the way in which the government celebrated the capture of Gilberto Rodriguez Orejuela, which had occurred a few days earlier. "Tell Minister Botero that we want to see him tonight on television, along with the members of the police, just as enthusiastic as he was on Friday. Let him applaud, giving 30 rounds of applause for the 30 killed."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Although, with the attack on his father's sculpture, the message was aimed at Fernando Botero, they also criticized Samper: "It is absurd and stupid to see the president of the Republic jumping for joy because they have captured someone."

In his talk with the journalist, the group's spokesman issued another threat, at the end: "Harass us wherever you wish; we'll destroy someone big."

Those who took credit for the act, besides admitting that they were "people from Valle," declared: "It is one thing that Mr. Gilberto Rodriguez may be a peaceful man who wants no trouble. But that is something quite different from what we 'other' persons may think and may do."

During the conversation, the anonymous man declared that his group would not commit Pablo Escobar's mistakes, would be in contact only with RCN, would use "kamikazes" in the attacks, and would "turn this country upside down." Many of these terms were used in almost exactly the same manner in subsequent conversations, including the one relating to Gomez: which indicates that it is the same organization.

The Second Conversation

Two months after the first contact, at 1000 hours on 24 August, another man (apparently someone different) contacted the journalist Francisco Tulande, of RCN. In a talk that lasted 42 minutes, he identified himself as one of the seven members of the top echelon of the Mecal group (according to him, comprised of drug traffickers from Medellin and Cali), which was planning to carry out a series of attacks.

After taping the conversation, which occurred 34 days before the attack on Cancino, Tulande and his chief, Gossain, decided to put the cassettes at the disposal of the police director, General Rosso Jose Serrano.

On the tape, the threat was aimed at President Samper; the then defense minister, Fernando Botero; soccer players Francisco Foronda and Hermann "Carepa" Gaviria; and congressmen Francisco Jose Jattin, Heyne Mogollon, Alberto Santofimio, and Jose Guerra Tulena, whom the speaker accused of having received money from the Cali people.

During the conversation, the man claimed that the attacks were being aimed at pressuring the government "to have the whole truth come out." He stressed: "We need honesty in both the political class and the ruling class in soccer."

In his threat, the individual announced that Mecal was preparing, under the guidance of mercenaries from Spain and Israel, 10 "kamikazes": individuals who, in exchange for 40 or 50 million pesos for their families, would explode the dynamite that they had attached to their bodies against President Ernesto Samper. Appearing again in this conversation were expressions such as "kamikaze," not committing the same mistakes as Pablo Escobar, attacking indiscriminately "regardless of who is brought down," and the vulnerability of the president's armored car. In addition, the journalist was asked to compare this conversation with the one that took place after the attack in the city of Medellin.

Compared with the first tape, there is a change in attitude but not in language on the part of this group, toward the brothers Miguel and Gilberto Rodriguez Orejuela. They are accused of violating an agreement made with the group, consisting of revealing everything pertaining to the campaign financing. The Mecal spokesman inveighs against the Rodriguez brothers, arguing that the latter betrayed them. And he claims that, if the whole truth is made known, his group is willing to surrender and to turn over all the assets that it uses in producing and transporting drugs.

After this conversation, on 27 September, the attack against the president's attorney, Antonio Jose Cancino, occurred. That day, calls were made to RCN, CARACOL, and several international news agencies by a man who claimed responsibility for the attack in the name of the Movement for the Dignity of Colombia.

According to the journalists Gossain and Tulande, in the case of the call to RCN, it came from the same individual who had made the contact 34 days earlier in the name of the Mecal group. There are no tape recordings of this contact among any of the news media.

The Last Tape

"This is the second strike that we in the Dignity for Colombia group are making. The first was the attack on Cancino, (in which) the triple SOB was saved, but we brought down two of his guards... Today, we have brought down Mr. Gomez Hurtado, a friend of Mr. Samper and a prominent person in this country. The third strike will cause an even bigger bang..."

In a threatening tone and using vulgar language, the individual on the tape recording that reached RCN said that the murder of Gomez Hurtado was "a message" for the president of the republic, for his interior minister, Horacio Serpa, and for Orlando Vasquez Velazquez, "who is a lackey attorney general."

In a direct reference to the chief executive, the spokesman for that criminal group remarked: "You, Mr. Samper, must leave the presidency of the republic, or you will witness the fall of prominent persons in this country day by day."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The anonymous speaker accused the president, the interior minister, and the attorney general of "having accrued profit with the money from the people in Cali," and of "not having the civic integrity to admit it."

In the same menacing tone, the individual on the tape added: "We shall attack, but we shall know how to do it. We won't commit the same mistakes committed by people like Pablo Escobar Gaviria (...). Beware, Samper, your days are numbered."

The threat against the president went further: "Your armored cars will do you no good when a mass of 1,000 kg of dynamite explodes against you, aimed by one of our 'kamikazes.' On that day, you will realize how stupid it was not to leave the presidency."

The subject on the tape recording also criticized representative Heyne Mogollon who, in the House Committee on Accusation, is conducting the investigation against Samper for the presumed presence of money from the drug traffic in the electoral campaign: "That Mogollon is a comfort-loving SOB," he says.

Finally, it is claimed on the tape that the attacks against prominent persons in the country will continue, despite the efforts of the Army and the police to prevent them. "Send us Serrano, send us Montenegro; those little generals make us laugh. On the other hand, gutsy people like General Urbina or (colonel) Castro were really removed, because they knew too much."

In this conversation, reference is made again to the dialogue with Tulande before the attack on Cancino; which confirms the fact that the same organization is involved. On this cassette, the discourse takes a different turn: an organization of drug traffickers is no longer involved, but rather a group called "Dignity for Colombia."

Attacks on Three Groups

Based on the tape recordings, the most logical conclusion would be that these are Valle drug traffickers who are dissidents from the Cali Cartel. But, in fact, that conclusion is so logical that it has caused the authorities not to be too self-confident.

Not everything that has been stated by this group's spokesmen has been carried out. In Thursday's statement, the spokesman for Dignity for Colombia told President Samper that he was lucky not to have gone to the Britalia district of Bogota, because he would have found out that they intended to attack him. According to officials from the Presidency of the Republic, although there was, in fact, a ceremony in that southern Bogota district, it was not specified on the presidential agenda that Samper would attend, but rather his health minister.

Among the threats made by the individual from Mecal, one attracted attention: if Juan Jose Bellini does not leave the Soccer Federation, the players on the Guild of Brazil team (a group that was visiting Colombia) "will suffer the consequences." According to the authorities, no suspicious act occurred during the visit of the Brazilians.

However, the greatest contradictions and, simultaneously, questions to be resolved by the authorities are: Why would a group of drug traffickers become transformed into leaders of public morality in Colombia? And why would the spokesman for Dignity for Colombia claim that the attack against Alvaro Gomez originated in the fact that he was a friend of Samper, when Gomez not only was dissociated from political activity, but also had been criticizing the government in the editorials in EL NUEVO SIGLO? Could it be that these claims are part of a set-up, to conceal the true identity of the perpetrators of these acts? The authorities have the say.

Reportage on Presidential Candidate's Remarks, Proposal

Pastrana on Samper 'Legitimacy' Problem

PA1011035495 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 10 Nov 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Former presidential candidate Andres Pastrana also spoke today and he related the meeting he had yesterday with President Samper to the measure adopted by the Prosecutor General's Office regarding the decision involving Santiago Medina.

[Begin recording] [Unidentified reporter] Dr. Andres Pastrana, what has happened in the last 24 hours following the proposal you made to Ernesto Samper?

[Pastrana] I believe the country remains the same. The truth is I don't think anything different has happened in the country. To ratify the position we expressed yesterday, today's newscasts gave more coverage to the benefit given by the Prosecutor General's Office to Santiago Medina than to the meeting I held with President Samper.

[Reporter] Where will the struggle against violence go now?

[Pastrana] Listen, we are not going to resolve the struggle against violence if we don't first resolve the problem of legitimacy, if there is no truth, if there is no clarity. If one has nothing to hide, as has happened with

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

many Colombians, one should give up his immunity. One of my most acclaimed professors of Constitutional Law taught me that immunity is a privilege. Therefore, privileges can be rescinded.

[Reporter] In other words, do you insist that the president must resign?

[Pastrana] No. That is a decision of the president. In other words, if there is no credibility in the process against the president, he must logically step down. What we are seeing today is that the problem remains. We are seeing that the statements by Medina that there was drug trafficking money in the Samper campaign are today supported by the Prosecutor General's Office. [end recording]

Liberal Party Head Rejects Pastrana Proposal

PA0911230295 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2205 GMT 9 Nov 95

[Report by Gilbert Vega]

[FBIS Translated Text] This is Caracol at Casa de Narino. Luis Fernando Jaramillo Correa, the National Liberal Directorate president, rejected today presidential candidate Andres Pastrana Arango's proposal for other courts [instancias], different from the Chamber's investigation and accusation commission, to be placed in charge of the investigation of President Ernesto Samper Pizano's conduct.

[Begin Jaramillo recording] [Words indistinct] seems important to me. Every time we do not like the fact the judge is judging us, we can change him. So, from now on, all Colombians who have to go to trial can ask that the judge be changed if they do not like the judge who is on duty. This action goes against our institutionalization. [end recording]

Liberal Party Director Luis Fernando Jaramillo Correa has, thus, stated that the proposal goes against the country's institutionalization.

Liberal Directorate Head on Remarks

PA1311021995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 10 Nov 95

[Interview with Luis Fernando Jaramillo, president of the National Liberal Directorate, by news director Dario Arizmendi; from the "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] Good morning. Has the National Liberal Directorate fully supported the Investigation and Accusation Commission of the Chamber of Representatives, charged with investigating President Ernesto Samper's case within the framework of the so-called Process 8000, in contrast with the attitude assumed by former presidential candidate Andres Pastrana?

[Jaramillo] One cannot go against the country's institutions just because one does not agree with the actions taken by the commission. He is speaking on behalf of Colombians — I do not know what his authority is — arguing that the commission has no respect. [Words indistinct] will rule differently than what the law stipulates for the members of the commission. I believe this is what the Constitution stipulates, and this is the correct action in keeping with the law. This is the president's right as a Colombian citizen: he has asked that the law be enforced regarding his case. Let us enforce the law in keeping with what the Constitution stipulates.

[Arizmendi] Even if that commission is tarnished in the opinion of some sectors, as is widely known?

[Jaramillo] Why was it not tarnished in the past when it issued a ruling in favor of the presidents and even the father of a former candidate. When presidents in the past were faced with a myriad of problems, they went to the respective accusation commissions, and rulings were issued. No one said anything then. Now, with President Samper, they are saying that the commission is not carrying out its duty. We never knew this. Until now, the obvious outside observations apparently indicate that serious and conscientious actions have been taken, and we hope that all the people who have anything to do with this issue will make a decision in keeping with the law. We hope the members of the commission will issue an ethical decision and that it will be an honest one, because we assume that justice will prevail.

[Arizmendi] Do you believe Andres Pastrana's request is groundless? Did you tell this to President Samper yesterday?

[Jaramillo] We have stated that this is the country's institutional order. If we do not agree with it, we should amend the Constitution. We do not believe the Constitution is unalterable. It can be amended if a certain procedure is not meeting its purpose. If Colombians believe that it is time to establish ad hoc courts every time a citizen or a group of citizens believes that the country's judges are not fulfilling their duties, we can include it in the Constitution.

[Arizmendi] Political commentators currently believe that the fact that President Samper asked Pastrana for a dinner meeting has turned Pastrana into the leader of the opposition and has placed him on a pedestal, even if it is only in the opposition, giving him privileges that other former presidential candidates do not have. What is your view on this topic?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Jaramillo] I believe it is still too early to reach that conclusion, because the president is engaging in talks with various national leaders. Yesterday, he held talks with the [word indistinct] directorates of the political parties — the Directorate of the Conservative Party and the Directorate of the Liberal Party. Thus, he will probably continue holding talks with other presidential candidates in the coming days in an effort to consolidate the country behind the executive branch to fight violence. We have reached the limit. We have become used to living in a bloodbath. We are navigating in blood in this country, and it all has become commonplace. Everyone thinks it is normal that people are kidnapped, blackmailed, killed virtually every 15 minutes, and nothing has happened here. We must stop this bloodbath in the country at any cost. To do this, we must convene all those upright Colombians who want to support the government in this fundamental task for the entire nation.

[Arizmendi] Isn't it a failure for President Samper not being able to obtain the immediate support of Andres Pastrana, who conditioned his support for the president's proposal on some sort of court different from the Investigation and Accusation Commission?

[Jaramillo] I do not know whose failure it is, the president's or Pastrana's, who will have to explain why he is not part of this crusade against assassinations of civilians and widespread violence in the country. I do not know who will be asked to settle accounts eventually.

Ecuador

Pasailague Sworn In as New Education Minister

PY1411024295 Madrid EFE in Spanish 2259 GMT 13 Nov 95

[FBIS Translated Excerpt] Quito, 13 Nov [EFE] — Roberto Pasailague, former deputy minister of government and justice, today took the oath of office as new education minister in the presence of Ecuadoran President Sixto Duran-Ballen. On this occasion Pasailague warned that he will not tolerate threats from "anybody," referring to the indefinite strike being organized by 120,000 teachers.

The minister said that "the appropriate measures will be taken against the offenders," although he added that "with a fluid dialogue and good coordination we can overcome any problem." [passage omitted]

Candidates Urged To Not Use Border Conflict in Campaign

PY1411015895 Quito Voz de Los Andes in Spanish 2300 GMT 14 Nov 95

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco today urged the presidential candidates to not use the border conflict with Peru in their electoral campaign.

The foreign minister told journalists that the best thing would be to reach an agreement among all to [words indistinct].

After waging a war early this year, Ecuador and Peru have engaged in diplomatic negotiations over a section of the border which the two countries claim as their own.

The climate of peace has consolidated during the past few months and the foreign ministers of the two Andean countries will hold a meeting in December to start diplomatic negotiations.

Power Supply Normalized After Three Months' Rationing

PY1411023895 Quito Voz de Los Andes in Spanish 2300 GMT 13 Nov 95

[FBIS Translated Text] The Ecuadoran Institute of Electrification (Inecel) today announced that the rationing of power in Ecuador ended today after more than three months of eight-hour power cuts throughout the country.

The normalization of power supply is due to the recent rainfalls and the recovery of the water flow into the Paute hydroelectric plant that before the drought supplied more than 60 percent of the power consumed in Ecuador, according to Inecel Manager Bolivar Lucio.

Finance Minister's Economic Projections for 1996

96SM0008A Guayaquil EL UNIVERSO SUNDAY SECTION in Spanish 29 Oct 95 p 2

[Interview with Finance Minister Ivan Andrade by Roberto Peralta; place and date not given: "According to the Finance Minister, Fiscal Discipline Is Guaranteed"]

[FBIS Translated Text] The fiscal discipline undertaken by the government is guaranteed as long as the regime lasts. The best proof of that is the austerity that has characterized public administration which, otherwise, would today be a debacle, said Finance Minister Ivan Andrade.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In a conversation with EL UNIVERSO, Andrade expressed confidence that the exchange rate could be managed and inflation controlled. The same is true in fiscal matters, because "we are convinced that if costs go up, everything will get out of hand, and the next government will have to deal with the problem."

According to Andrade, the adjustments in foreign exchange and monetary policy were carried out with a clear objective, to fight inflation. "Everyone knows that a policy was implemented that sought to bring inflation ever lower. If we look at this year's objectives, at the beginning of the year, before the conflict, we thought that inflation was going to be on the order of 15 to 17 percent, and we are going to wind up with 21 or 22 percent. However, the reasons for reaching that level are understood by the productive sector.

"Faced with so many problems, the fact that we are still able to keep inflation at that level is clear evidence that the productive sector can feel reassured," Andrade explained.

Andrade said that in foreign exchange matters, technical analysis indicates that according to the fiscal goals and the economic plan's assumptions, any further depreciation beyond that foreseen in the exchange band would bring no economic benefits and would only cause a decrease in the purchasing power of salaries and a consequent deterioration in income distribution.

[Peralta] Why could the economic achievements for which the government takes credit not have been extended to the productive sectors that are criticizing the lack of growth and of solutions to major problems, such as energy?

[Andrade] In the details of the 1996 economic program that we are going to announce soon is precisely where we will specify which are the points to be carried out, so that the productive sector, in its turn, realizes that there is a program that not only provides assurances, but that begins to deal with problems that have been accumulating during the year. High interest rates certainly affect the financial costs of production and marketing, at the same time that a reduction in demand has meant that, with lower investments, greater financial costs cannot be passed along in prices.

The productive sector needs to feel that there is an economic program for 1996 that will enable it to grow with confidence. The financial sector has been facing a situation in which, with high interest rates and market volatility throughout the year, except for a few months, it has not felt sufficient confidence to provide funds it normally would have provided. This is especially true in credit operations, causing more nervousness among producers, and shortening loan periods to 30 or 60 days.

This causes great uneasiness in the productive sector, which does not know what to expect as to financial costs, nor can it pass the costs on in prices. The 1996 economic program will aim at providing a point of reference that will enable the productive sector as well as the financial sector to feel that there are clear guidelines for an upturn in the economy.

[Peralta] With the understanding that this is the last year of this government and that this is an electoral period, what specific items are being considered for the 1996 program?

[Andrade] Specifically, if it is important to consider that we are looking at a rate of inflation of between 16 and 19 percent for next year, then we think that economic growth will be between three and four percent. Now, from the budgetary point of view, our objective is also to be able to pass on to the new government a stable economy and stable public finances, and therefore we want a reasonable period of transition with the new government.

It is important that sufficient contact be established with the various parties that have presidential candidates, or with independent persons who are candidates, and that they better understand the 1996 budget and the details of monetary and foreign exchange policy, to enable them to plan their activities for 1996.

As the incumbent government, we have decided that we are not going to begin new projects in 1996, because the government should have the resources to decide what projects it will carry out. This transfer of government, this transition phase, has always been the most crucial in previous changes of government.

[Peralta] What guarantees do the economic authorities offer to permit confidence that fiscal discipline and balance will be maintained until the end of the regime, which has not been the case with previous governments?

[Andrade] Fiscal discipline is guaranteed, and one of the proofs is that this year it has been possible to deal with all of the problems we have had. If it had not been for fiscal austerity, today we would have had a debacle, and we have no reason to change.

There are guarantees that the exchange rate can be managed and that inflation can be controlled. This is true in the fiscal area as well, because we are convinced that, if costs rise, everything will get out of hand, and the next government will have to deal with the problem.

[Peralta] Even with that philosophy, are there financing alternatives in the event of a fiscal deficit?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Andrade] Even if we have financing alternatives, it is not a question of how much financing we obtain, because it is reasonable to think that the totality of indebtedness must be duly administered and managed. In incurring a deficit, all we do is to leave more problems for future generations. We already had inherited a situation where the debt amounted to more than 100 percent of the gross domestic product [GDP]. Today, it is 70 percent of the GDP. Our objective as a country should be to reach a point where the country's total debt is 50 percent of the GDP.

[Peralta] The alternative to financing is often new taxes.

[Andrade] True, if it is a decision of the country, when one is speaking of great national projects, if we as a country want to intensify our efforts in specific areas and all Ecuadorans are prepared to contribute with new taxes to resolve great problems. But, not faced with that situation, we should not incur more spending financed by indebtdness.

[Peralta] As the new vice president of the republic focused attention in his speech on social matters, how will you avoid falling into contradictions? Would those goals perhaps be abandoned?

[Andrade] When we speak of prioritizing, it means that we are considering the 1996 budget. The regular budget has several components, and in the total social area, we are talking about more than four trillion sucres, of a budget of 11.1 trillion sucres. There is education, which is the largest of the ministerial budgets with almost 1.6 trillion sucres. Then we have health, social welfare, public works, and housing. All together, they come to more than four trillion sucres.

The prioritization of these expenditures, especially in the area of investments, is a field where the new vice president could take part and help a great deal, so that in managing these resources, investments can be prioritized, taking into account that government budgets in Ecuador are rather inflexible, because there is a burden on the budget—for example, of personal costs, which is very high.

[Peralta] Specifically, in which areas of the current regular budget are differences between the Executive and Congress expressed that define the terms of the budget?

[Andrade] There are several areas, the analysis is not yet complete. One of the aspects that has been mentioned is the public debt, which must be considered in two elements: one, the composition of the public debt in its totality, when today service on the public debt accounts for 28 percent of GDP for 1995 and rises to 35 percent in 1996. What we must consider here, for example, is that there is a four-percent contribution that goes to pay the state's debt to social security. Therefore, that is an additional four percent that raises 1995 debt service to 32 percent of GDP. Part of this goes for foreign debt and the rest for domestic debt.

[Box, p 2]

Investments Set Back "At Least Two Years"]

Finance Minister Ivan Andrade predicted that, due to the crisis and political instability, the country would be set back at least two or three years in investments in the productive sector.

"The blow that we have suffered as a country due to political instability has not just set us back three months. The impact for the country is that we have delayed the development of Ecuador from the point of view of investments in the productive sector by at least two or three years," said Andrade.

He also admitted that there was concern in the government over the increase in rationing and over a possible weakening in the country's productive capacity, because "it will affect us now and in the medium term."

[Peralta] The authorities in Colombia opted for the issuance of negotiable bonds. Why not do it in Ecuador?

[Andrade] We have looked for alternatives to the Ecuadoran market because, on the one hand, placing bonds on the domestic market in unstable conditions means we would suffer in pricing beyond what would be the perception of a portfolio investment in other markets. In the case of Colombia, there were also operations involving the placement of Venezuelan government bonds.

[Peralta] Is the government already taking into account the revenues that will be generated by future investments or sales of state enterprises? You told foreign investors in the United States that the sale of Emetel [Ecuadoran Telecommunications Enterprise] was expected to bring in about one billion dollars. Does that expectation still hold?

[Andrade] I hope that the sale will bring more than $1 billion. I would estimate, rather, that it could be $1.5 billion. I have no evaluation, but am estimating on the basis of reference points of sales in nearby countries. There was a sale recently in Bolivia that was both cellular and international, and the price leads me to think of that number. The process is continuing, and we are in the phase of technical and financial evaluation.

In any case, proceeds from the sale and privatization of firms are going to a Solidarity Fund that will enable

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the returns from the Fund's investments to be used for social work.

Paraguay

New Interior Minister Interviewed on Priorities

PY1311165695 Asuncion ABC COLOR in Spanish 11 Nov 95 p 3

[Interview with new Interior Minister Diogenes Martinez by unidentified reporter on 10 November; place not given]

[FBIS Translated Text] [ABC COLOR] What were the president of the Republic's recommendations?

[Martinez] He asked me to dedicate myself full time to the job and to try to succeed, always following his instructions.

[ABC COLOR] What will you do about the peasant problem?

[Martinez] First, we must make clear that a minister is a presidential secretary and, therefore, he must follow presidential instructions. Second, we must take into account that this is a political position. The Interior Ministry, therefore, must coordinate all government social actions. Security is also an Interior Ministry responsibility. Security depends on a great number of factors, but mainly on social organizations' security and tranquillity.

[ABC COLOR] [Former Interior Minister Carlos] Podesta had the policy of talking with the opposition. What will be your position with respect to the opposition?

[Martinez] You cannot govern unless you talk with the opposition. And then you must show the necessary tolerance and understanding that must prevail in our society. We must understand that we are in a new era with new rules, and we must adapt to them as much a possible in order to consolidate this new democracy in our country.

[ABC COLOR] What will be your contribution to this process?

[Martinez] I will follow the president's recommendations and will work for all government goals in order to consolidate democracy, alleviate our economic problems, and bring calm to our national social institutions. I am a lawyer, and as such I support respect for the law, which must be implemented with all humanitarian concern possible, but also firmly.

[ABC COLOR] Do you mean with repression?

[Martinez] No. Firmly does not mean repression. We must eradicate the practice of repression from all state organs. It does not coexist well with democracy. However, we must enforce the law, I repeat, with all humanitarian concern possible, but firmly. It is the only way we can coexist in calm.

[ABC COLOR] But the law establishes repressive mechanisms....

[Martinez] Of course. When a law stops having compulsory enforcement possibilities, it ceases being a law. That is what it must be. It is the essence of laws.

[ABC COLOR] How would you describe yourself?

[Martinez] I am a fighter and a patriot.

[ABC COLOR] Were you not annoyed with [Vice President Angel Roberto] Seifart's political operators?

[Martinez] I have left the organ directing his electoral campaign, but I have always said "we will continue working for Seifart from our movement."

[ABC COLOR] Will your position change now?

[Martinez] We will continue working for his ticket. Now we have the possibility of cooperating with his organization. I am totally committed to and involved with that cooperation.

[ABC COLOR] Is it compensation....

[Martinez] No, absolutely not. We discussed that cooperation a long time ago, not now.

[ABC COLOR] Was it appropriate or timely to replace Podesta, who gave a lift, in theory, to Seifart's campaign?

[Martinez] I am not the person who can determine when a secretary can leave. The president decides when changes can be made.

[ABC COLOR] Will Oscar Rodriguez Kennedy be your vice minister?

[Martinez] That decision must be made by the president of the Republic.

President Returns From Trip to Bolivia

PY1411014095 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2350 GMT 13 Nov 95

[Report by Andres Caballero]

[FBIS Translated Text] On the afternoon of 13 November, President Juan Carlos Wasmosy returned from Bolivia, where he participated in the Eighth Asphalt Congress and met with his Bolivian counterpart Gonzalo Sanchez de Lozada.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Wasmosy arrived in Asuncion at approximately 1730 after having participated in the opening ceremony of the Eighth Asphalt Congress together with Sanchez de Lozada. The Paraguayan head of state also met with the transportation ministers of Bolivia, Brazil, Chile, and Peru. Commenting on the transoceanic corridor during a news conference in Bolivia, President Wasmosy stated that the paving of the trans-Chaco highway up to the City of Santa Cruz de la Sierra in Bolivia will enable a strict control of trafficking in stolen vehicles. Wasmosy confirmed the construction of a gas pipeline to purchase gas from Bolivia. He also participated in the installation ceremony of new authorities of the Bolivian-Paraguayan Chamber of Commerce. The head of state declined to make any comments to the press upon his arrival in Paraguay.

Foreign Minister Departs for Montevideo on State Visit

PY1111001395 Asuncion ULTIMA HORA in Spanish 10 Nov 95 p 14

[FBIS Translated Text] On the morning of 10 November, Foreign Minister Luis Maria Ramirez Boettner departed for Montevideo, Uruguay, where he will make a state visit that will conclude in the evening, at around 1800 local time. Ramirez Boettner is to meet with President Julio Maria Sanguinetti and to sign, together with Uruguayan Foreign Minister Alvaro Ramos Trigo, a "ministers' declaration" conveying their mutual interest in signing an energy complementation agreement between both countries as soon as possible.

Ramirez Boettner's entourage includes Jose Maria Fernandez, foreign policy director general; Lilian Lebron, director of the Foreign Ministry's Americas division; Protocol Director Ambassador Geronimo Narvaez; and Ruben Sapena, an economist.

The foreign minister met with his Uruguayan counterpart this morning in a move to reactivate the Paraguayan-Uruguayan Mixed Commission. Another subject broached by both ministers was the exchange of energy between both countries, since Uruguay intends to purchase Paraguay's surplus electricity generated by the Itaipu, Yacyreta, and Acaray hydroelectric plants in exchange for refined oil and the shipment of oil to Paraguay from Uruguayan refineries.

Ramirez Boettner met with members of the ALADI [Latin American Integration Association] Representatives Committee. The foreign minister is to participate in a luncheon to be hosted by his Uruguayan counterpart in honor of his guest at the Santos Palace, seat of the Uruguayan Foreign Ministry. Ramos is to decorate his Paraguayan counterpart during this luncheon.

In the afternoon, at around 1600 local time, Ramirez Boettner will be received by President Sanguinetti in an audience at Government House. Ramirez Boettner is scheduled to return to Asuncion at 2000.

Peru

Foreign Minister Views Peace Commitment With Ecuador

PY1311223495 Madrid EFE in Spanish 2024 GMT 10 Nov 95

[FBIS Translated Text] Lima, 10 Nov (EFE) — Peruvian Foreign Minister Francisco Tudela said today that Ecuador and Peru have made a commitment to find a definitive solution to the border conflict that led to a war last February, disregarding their internal political problems.

Tudela said the two countries made this commitment because they reached the conclusion that in the past they made the mistake of not taking advantage of other opportunities to do so, which created the succession of new tensions and armed clashes.

Tudela added that communication between the Peruvian and Ecuadoran Foreign and Defense Ministries have been reestablished in a fluid manner, which will favor the search for a definitive solution to the conflict.

Tudela confirmed that during the upcoming visit of Ecuadoran Foreign Minister Galo Leoro to Peru in December, "the agenda for resolving Point 6 of the Montevideo Declaration will be discussed," which is the point that refers to the "subsistent impasse," the basic problem.

This problem, said Tudela, refers to the demarcation of the border according to the Rio de Janeiro Protocol, but for Ecuador this is a territorial issue. He added: "This is why the negotiations will be very difficult and we don't know how long they will last."

Tudela pointed out: "It will be a very difficult task because we will have to face the strong nationalistic radical groups but we have the will to find a definitive solution to our differences."

Tudela reiterated that if the current peace process is stopped there will be a pullout which may create new tensions.

Tudela added: "Fortunately, there is consensus in the two Foreign Ministries that the process is as important as the objective, and based on this belief, we made a commitment that the process continue whatever happens in our countries."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Tudela recalled that last week Ecuador and Peru presented in Chile, on their own initiative, the peace process they will carry out as an example of their effort to the other Latin American countries.

Foreign Minister Analyzes Lima Convention Issue

PY1411011295 Madrid EFE in Spanish
2020 GMT 10 Nov 95

[FBIS Translated Text] Lima, 10 Nov (EFE) — Peruvian Foreign Minister Francisco Tudela said today that the Lima Convention issue has been blown out of proportion by party interests that seek to turn it into a sovereignty issue.

Upon rejecting these interests, Tudela said that Peru's position is to focus the matter "on the true significance of a secondary point of a perfect treaty the essential parts of which have already been fulfilled."

"It must be clearly understood that concerning the Convention issue, Peru is not making any kind of territorial demand because the borders are there, established by the Line of Harmony of the 1929 Treaty," the minister said.

He added: "What happens is that there are radical nationalistic sectors which have blown out of proportion the issue related to sovereignty and have created a phantom that harms our countries' relations, only because of political-party interests."

The Peruvian foreign minister then said that "this does not mean, however, that the Lima Convention is perfect," and added that Chile and Peru will most likely reach a definite agreement by the beginning of next year.

Referring to the Arica-Parinacota law, approved in October by the Chilean Government to promote development of that Chilean region bordering with Peru, Tudela rejected the idea that that law is viewed as an unfriendly act toward Peru.

"This is a law for development approved in a sovereign act by the Chilean Government which has all the right to do so, and it cannot be taken as a hostile action toward Peru," he said.

He said: The Chilean law "is a challenge to be consolidated, similar to the one Peru has promised to implement in the Ilo region, but it will certainly take some time for its fulfillment."

He added that in the case of Ilo, Peru has already obtained credits for $80 million granted by the Inter-American Development Bank and the World Bank to turn the Ilo-Desaguadero highway, which links the Peruvian southern coast with Bolivia, into an "A" highway for heavy traffic.

Reportage on 12 November Municipal Elections

Support to National Election Board

PY0811162795 Lima EXPRESO in Spanish
27 Oct 95 p A7

[FBIS Translated Excerpt] OAS Observers' Mission coordinator Santiago Murray yesterday reaffirmed confidence and support for the National Election Board on occasion of the preparations for the next municipal elections slated for 12 November.

"I trust this process will be as clean as the 9 April general elections," said the OAS representative at the end of the ceremony to provide special verification software [preceding word in English] to Julio Vargas Prada Mendiola, National Registry and Identification Office (Renied) chief, in the presence of National Election Board President Ricardo Nugent. [passage omitted]

Election Results Nationwide

PY1311230195 Madrid EFE in Spanish
0928 GMT 13 Nov 95

[By Luis Alberto Arce]

[FBIS Translated Text] According to sources from political organizations, the victory of independent businessman Alberto Andrade in the elections for the Lima mayoral post is consequence of the Lima people's rejection of the concentration of power by Peruvian President Alberto Fujimori.

Andrade, winner in the Peruvian capital of the municipal elections held yesterday in the country, obtained the Lima mayorship with nine points ahead of Jaime Yoshiyama, candidate of the ruling coalition Change 90-New Majority, which was supported by Fujimori.

The virtual elected mayor of Lima obtained 54.8 percent of the votes, while Yoshiyama obtained 45.2 percent.

Andrade's We Are Lima movement also won the mayorships in 30 of the 43 districts in which the Lima Province is divided, where they defeated the candidates of the ruling coalition.

In other important cities of the country, most elected mayors are either independent or members of local or regional movements.

According to unofficial vote tallies, Roger Caceres, son of a former local mayor, Luis Caceres, leader of the National Front of Workers and Peasants, won the elections in Arequipa, the second largest city in Peru.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In the Andean town of Ayacucho, birthplace of the Shining Path terrorist organization which, according to analysts, was the greatest loser because it has disappeared as a threat, independent candidate Vilma Valenzuela won the mayoral seat.

From 1980 to the beginning of the 1990's, Shining Path violence had thwarted the normal development of elections.

In Cuzco, the old touristic capital of the Incas empire and recognized as historical capital of Peru, located 1,000 km southeast of Lima, independent Raul Salazar also obtained the post of mayor.

In Huancayo, the main locality of the Peruvian central mountain region, independent candidate Jose Sasaki was also elected, just as in Puno in the southeastern part of the country, where Victor Torres was elected.

In Trujillo, capital of La Libertad Department, northern Peru, Jose Murguia, member of the central-leftist American Popular Revolutionary Alliance (APRA), won the mayoral elections because he decided to run as the leader of an independent movement.

This same situation has been recorded in some places because the traditional political parties were experiencing a credibility crisis before the elections, which was confirmed in the general elections of 9 April 1995, when these organizations did not obtain more than 5 percent of the vote.

Lourdes Flores, congresswoman of the conservative Popular Christian Party (PPC), one of the traditional organizations currently in the opposition, said that voters in Lima Province where Andrade won, and in the districts, "have voted against the concentration of power."

Yoshiyama, who with Andrade were the only candidates for mayor in this capital, received the total support of Fujimori who on introducing him as candidate of the official coalition, the president said he had "all the support" of his government.

Political parties of the opposition have interpreted this support as Fujimori's presumed intention to "win" the most important institutions of the country, after obtaining a majority in Congress and control of the executive branch.

The mayoral post is considered the most important in Peru after the Presidency of the Republic, and as the last step before the Presidency.

Flores said that the voters told Fujimori: "Govern the country but do not do so with Lima."

Congressman Henry Pease of the Union for Peru (UPP), also of the opposition, said that President Fujimori had met with a rebuff because Yoshiyama and Kurt Woll, the mayor candidate for reelection of the port of Callao, were defeated by a large difference.

Congressman Rafael Rey, of the independent Renewal Movement, said that Fujimori "made a mistake in his campaign strategy" because he tried to blackmail voters who reacted against him."

Independents Triumph Nationwide

PY1311231295 Madrid EFE in Spanish
1641 GMT 13 Nov 95

[By Francisco Osaba]

[FBIS Translated Text] Lima, 13 Nov (EFE) — The government defeat throughout the country by independent candidates in the municipal elections held on 12 November was confirmed today by the official election results.

Only in four departmental capitals did the political parties win the mayoral posts: Popular Action in Chiclayo and Huancayo; Frenatraca [National Front of Workers and Peasants] in Arequipa; and the Obras Movement in Piura.

The rest of the country elected as their councilmen and mayors candidates with no political banners, namely of the "We are Lima" movement.

It was precisely in Lima, the country's capital, with more than 7 million inhabitants, where "We Are Lima" obtained its most overwhelming victory when Alberto Andrade defeated the candidate for the ruling coalition Change 90-New Majority.

Andrade, 51, a businessman and former mayor of the exclusive district of Miraflores, obtained his victory with 52.7 percent of the votes over former minister and Congress President Jaime Yoshiyama, who obtained 47.3 percent of the votes.

According to the results, the ruling party Change 90-New Majority won in 18 Lima districts, while "We Are Lima" won in 21, including metropolitan Lima.

Independent candidates also won in three other districts, while the Popular Action candidate won in one.

In sum, the government aspiration to attain the municipal government in Lima and its districts was clearly thwarted, as its defeat was also clear in the constitutional province of El Callao, with its port that carries the same name, the most important in the country.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In El Callao, (Change 90) candidate Kurt Woll was defeated by Alex Kouri, of the Chim Pum Callao independent movement.

The municipal elections were held throughout Peru within a climate of absolute "calm and normality," according to observers from the Transparency Group, for the first time over the past 18 years. Some years ago the Shining Path terrorist gang prevented the normal development of elections with systematic attacks.

On election day, in which people participated en masse, 12 million voters elected mayors and councilmen from 194 provinces and 1,810 districts.

Most Lima media today stressed the government defeat in these municipal elections, which are considered the most important elections in Peru after the general elections.

According to analysts and observers, the Lima mayorship has always been considered a final step to reach the Presidency of the Republic.

On this occasion, the greatest defeated candidate has been former Congress President Jaime Yoshiyama, 51, President Fujimori's personal friend, who is also of Japanese descent and who is considered the most prestigious politician in Peru.

A few hours after his defeat was learned, Fujimori unexpectedly named him minister of the Presidency, a post considered the closest to the president.

This designation has surprised the political class and journalists, who today stressed this fact on their main headlines, while they also stressed the risk that Yoshiyama's victory would have meant "concentrating power" within the ruling party.

The ruling coalition "Change 90-New Majority" is in charge of the Presidency and also has a majority in the national Congress.

Meanwhile, new Lima Mayor Alberto Andrade began working today as mayor, which experts consider "extremely tough" and which consists mainly in developing Lima, which is considered an "ungovernable city" according to the image it has had for decades.

The one-time called "City of the Kings," founded by the conqueror of Peru Francisco Pizarro in 1535, has increased the number of its inhabitants from 100,000 in the past century to 7 million now, thus becoming a chaos in which dirtiness, uncontrolled street vendors, hectic traffic, drugs, and crime prevail in an unrestricted manner.

Andrade Wins Lima

PY1311152995 Lima America Television Network in Spanish 1105 GMT 13 Nov 95

[Report by Michael Patzl; from the First Edition newscast]

[FBIS Translated Text] On the basis of data provided by CPI [Peruvian Research and Marketing Company], America Television yesterday informed its audience about unofficial results of the municipal elections immediately after the voting ended.

The following is a report based on unofficial results after 100 percent of the votes have been counted in Lima and Callao, where the great winners were Alberto Andrade and Alexander Kouri, respectively:

In Lima: Alberto Andrade, of the We Are Lima ticket, is the new Lima mayor. He obtained 53 percent of the votes. Jaime Yoshiyama, of the Change 90 - New Majority [C90-NM] ticket, obtained 47 percent.

In Callao: Alexzander Kouri, of the Chim Pum Callao ticket, obtained 59 pecent of the votes. Kurt Woll, of the C90-NM ticket, obtained 36 percent, and Alfredo Mecias, 3 percent.

In Miraflores district: Fernando Andrade obtained 64 percent; Raul Modenesi, 35 percent; other candidates, 1 percent.

In La Victoria district: Juan Olazabal, of the We Are Lima ticket, 50 percent; Maria Paredes, of the C90-NM ticket, 47 percent; other candidates, 3 percent.

In Chorrillos: Pablo Gutierrez, 46 percent; Augusto Miyashiro, 28 percent; other candidates, 26 percent.

In La Molina: Luis Dibos, of the C90-NM, 38 percent; Paul Figueroa, of the We Are Lima ticket, 38 percent; other candidates, 24 percent. Since there is a tie here, we must await the final results from this district.

In San Isidro: Gaston Barua, of the We Are Lima ticket, 59 percent; Carlos Neuhaus, of the C90-NM ticket, obtained 38 percent; other candidates, 3 percent.

In San Miguel: Marina Sequeiros, of the We Are Lima ticket, 50 percent; Hugo Bocanegra, of the C90-NM ticket, 39 percent.

Villa El Salvador: Michel Azcueta, of the We Are Lima ticket, 61 percent; Betty Melgar of the C90-NM ticket, 38 percent; other candidates, 1 percent.

In San Borja: Luisa Cuculiza, 74 percent; Nelson Cacho, of the Change San Borja ticket, 15 percent; other candidates, 11 percent.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In Surco: Carlos Dargent, of the We Are Lima ticket, 47 percent; Tito Castagnola, of the C9-NM ticket, 28 percent; other candidates, and there were many of them, 25 percent.

Victory Seen as Challenge to Fujimori

PY1311223695 Madrid EFE in Spanish 2352 GMT 12 Nov 95

[FBIS Translated Text] Lima, 12 Nov (EFE) — According to observers, the electoral victory of the virtual mayor of Lima Alberto Andrade represents the possible emergence of an alternate leadership to President Alberto Fujimori, thus opening a new political stage in Peru.

Political analysts said today that since his election in 1990, Fujimori was "practically alone on the Peruvian political scene," after displacing the so-called traditional Peruvian political parties.

The traditional parties strongly confronted Fujimori, especially his economic and political reforms, and this confrontation brought them discredit and successive defeats in the elections held in the last five years.

Because of these defeats the political parties suffered a serious internal crisis, which they were not able to overcome. The crisis became worse because the electorate lost credibility in them.

Most of the traditional parties were not able to participate in the municipal elections because they obtained less than 5 percent of the votes in last April's general elections that was won by Fujimori. Because of their low percentage, they lost their legal registration as political parties.

Andrade's victory emerges within this context, when President Fujimori appears as the only political leader with great popular and electoral support.

All the polls indicate that at least 75 percent of the population support the Fujimori administration.

Rafael Rey (Renewal Movement), congressman and analyst, said in this regard that the government was not able, however, to transfer this wide support to Jaime Yoshiyama, the government's candidate for mayor, who was defeated by Andrade.

By winning the municipal election, Andrade emerged into the political scene as a popular leader, and even though he denies having presidential ambition all analysts believe "he will have it soon."

Carlos Torres y Torres Lara (Change 90-New Majority), congressman and political analysts, said today: "Whether he likes it or not, a Lima mayor is always a presidential candidate because he is, after the president of the Republic, the most important leader elected in democratic elections."

He referred in this way to the Peruvian capital because it comprises one third of the total Peruvian electorate, which is 12 million.

The victory of the virtual Lima mayor has been attributed to his independent position from the government and because he identified himself with the government's pragmatic way of doing things but especially because of his support for Fujimori's economic reforms.

During the entire campaign, Andrade avoided any political confrontation with Yoshiyama and he planned the election strictly as a city affair — which, according to experts, was also decisive for his victory.

The same analysts agree that Andrade's leadership "has a good start but with a popular support that is conditioned on how he manages the municipal government."

Some Lima residents who were asked by the media said: "Just as the electorate, which supports the president (Fujimori), said no to his candidate, it can also withdraw its support for Andrade if he does not fulfill the expectations he created."

In view of the possibility that Andrade, the winner of We Are Lima movement, could have a successful municipal administration, some people believe that "in this case Andrade will indeed consolidate his leadership and could become an alternative to Fujimori in the general elections to be held in the year 2000."

Lourdes Flores, congressman of the Popular Christian Party (PPC), said today that the result of the Lima municipal election also left President Fujimori "without a candidate because it was clear that Yoshiyama's candidacy for Lima mayor was also aimed at making him a presidential candidate later."

She added: "By losing the municipal election, Yoshiyama also lost the possibility of being a presidential candidate and an eventual Fujimori's successor."

During the first Fujimori administration (1990-1995), Yoshiyama was three times minister, Congress president, vice president, and was the one who began the privatization process of state companies.

Andrade Biographical Data

PY1311190095 Madrid EFE in Spanish 2134 GMT 12 Nov 95

[FBIS Translated Text] Lima, 12 Nov (EFE) — Businessman Alberto Andrade (We Are Lima), the virtual winner of the Lima municipal elections that were held

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

today, has to prove that he can govern the bankrupt Lima municipality just as he was able to govern the Miraflores district. His administration of the Miraflores district has been described in general terms as successful.

Andrade, a 51-year-old businessman and lawyer, has been mayor of the exclusive Lima district of Miraflores since 1990, when he won with 70 percent of the votes. In 1993 he was reelected, with 93.5 percent of the votes.

As of today, however, Andrade will not have to govern one single district but 42 municipal districts experiencing thousands of problems, in addition to the poverty affecting half of the Lima population, which currently surpasses 7 million.

Few would have suspected that the law student at San Marcos University, the oldest university of the Americas, who combined his university studies with his work at the Lima municipality, would have acceded today to leadership of one of the most challenging municipalities in the country.

Andrade has had to work since he was 17 years old as an insurance salesman, selling tickets for the horse races, and as a broker and furniture manufacturer, among other positions, to support his family.

When he turned 19, he married Anita Botteri, with whom he has four children.

Andrade was born in Lima, and his great grandfather, Nicanor Carmona, was the first mayor of the northern township of Ferrenafe, located in Lambayeque Department, a post he held for seven years. Later, in 1913, Andrade's ancestor would become mayor of Lima.

Andrade received his primary level education at a public school in Tumbes. He went to high school at the Nuestra Senora de Guadalupe National School, La Recoleta, and Antonio Raimondi. All three of these schools are in Lima.

He studied foreign trade at the Superior School of Business Administration, and in 1968 he opened a law office with other colleagues.

In 1983, he was elected city councilman for the Miraflores district, and devoted himself to organizing neighborhood groups.

His main activity is the export of leather goods to the United States.

His party followers allege that Andrade built Miraflores into a model district as regards cleanliness, safety, safe transportation, and street peddlers.

The newly-elected Lima mayor, who is a businessman and lawyer by profession, confessed that Deportivo Municipal is his favorite soccer team. A music lover, Andrade has been identified for years with the Popular Christian Party, but he ran his election campaign for the Lima City Hall at the head of the independent We Are Lima ticket.

Fujimori Appoints Yoshiyama Minister of Presidency

PY1311173895 Madrid EFE in Spanish 1506 GMT 13 Nov 95

[FBIS Translated Text] Lima, 13 Nov (EFE) — After the government's defeat in the Lima municipal elections, Peruvian President Alberto Fujimori announced that Jaime Yoshiyama, former candidate for Lima City Hall, has been appointed minister of the presidency, one of the most important posts in the executive branch.

Speaking during the "Sunday Magazine" television program on 12 November, Fujimori said that he is appointing Yoshiyama to this cabinet post "so that he can assist and complement in several ways the administration's work" in support of Alberto Andrade, the Lima mayor-elect.

Alberto Andrade, the candidate for the We Are Lima ticket, was elected with 53 pecent of the votes, according to unofficial results disclosed at the end of the municipal elections on 12 November.

After praising Yoshiyama's technical expertise, shown during his term as transportation minister and as mines and energy minister, and as president of the constitutional congress, Fujimori said: "I will not leave him in the freezer; it would be a waste."

The president said: "Watching Yoshiyama (candidate for the Change 90-New Mayority ticket) and Andrade (We are Lima) engaging in an embrace to celebrate this election victory, I wondered: Why say that the result of the vote is 53 percent versus 47 percent; why not say it is 53 plus 47?"

Fujimori added that Yoshiyama's appointment as new minister of the presidency will be made official this week, and stated that his administration will complement in several ways the work to be conducted by the Lima city hall and its new mayor.

He said that in addition to complementing Andrade's work, Yoshiyama's appointment will represent a double support for the shantytown areas because the Ministry of the Presidency is in charge of supplying water, roads, foods, schools, and health facilities, among other things, to these needy areas of the country.

According to Fujimori, Yoshiyama is fully aware of the large- scale projects that the Lima municipality requires, among them one for a drinking water plant. He added

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that a knowledgeable person is needed to resolve this situation.

Fujimori asserted that the administration will not view the Lima city hall as the opposition. He said: "I believe that through the proper channels there will be fluid relationship, although this does not mean we will be able to resolve all the problems and meet all the demands."

Yoshiyama will replace Manuel Vara Ochoa, who will be appointed to another high-ranking government post.

Fujimori said that the election results will have a favorable impact abroad, "because they show that Peru does not have an authoritarian government and that democracy is enforced nationwide."

Regret Expressed Over Shutdown of OIGA Magazine

PY0711023295 Lima EL COMERCIO in Spanish 12 Oct 95 p A10

[FBIS Translated Excerpt] Mass media directors and journalists from magazines, dailies, and radio and television stations have expressed regret at the closure of the magazine OIGA. In a communique submitted on 11 October to the newspaper EL COMERCIO, approximately 250 journalists voiced their hope that the magazine, marked by its usually independent line, will be closed only temporarily. The communique states:

The existence of innumerable media in Peru, each of which reflects its own and different point of view about domestic events, is extremely important for building democracy and for fully exercising freedom of expression. Therefore, it is regretable that an independent magazine like OIGA ceases publication. [passage omitted]

Venezuela

President Ends Visits to Argentina, Uruguay

PA1211010295 Caracas Venezolana de Television Network in Spanish 1550 GMT 9 Nov 95

[FBIS Translated Text] After official visits to Argentina and Uruguay, President Dr. Rafael Caldera will return to the country today. The president completed a tight six-day schedule that included his participation in a Group of 15 meeting in Argentina, and in a special meeting of the Representatives Committee of the Latin American Integration Association, Aladi, in Uruguay.

The head of state called for greater rapprochement between the Andean Pact and the Common Market of the South, Mercosur, to activate Latin American integration:

[Begin Caldera recording] I came to again voice the Venezuelan Government's support for Aladi. The government I lead is fully aware of the integration goals and it recognizes the value of the work done by this organization and reaffirms its support to ensure it can broaden its activities and can continue offering its assistance, service, and support activities in an increasingly effective manner to the programs that are being implemented in various forms and areas to achieve Latin American integration. [end recording]

President Caldera's visit to Uruguay concluded with the signing of an agreement to fight drug trafficking and another one dealing with cooperation in the areas of petroleum and orimulsion.

Discusses Trade Ties With Uruguay

PY1311184595 Buenos Aires TELAM in Spanish 2050 GMT 9 Nov 95

[FBIS Translated Text] Montevideo, 9 Nov (TELAM) — Venezuelan President Rafael Caldera said today his country does not see any threat for agricultural producers as a result of increased competition as a result of closer ties with Uruguay.

Before closing his three day visit, the Venezuelan president said that, on the contrary, "we believe we can find a way" to complement our productions so that "products that currently enter Venezuela from distant countries can be replaced by excellent items produced in Uruguay."

With respect to the possibility of building, in Uruguay, a refinery that will use Venezuelan oil and will supply Mercosur (which comprises Argentina, Brazil, Paraguay, and Uruguay), Caldera said that the important point at this time is to hope that something will materialize.

Caldera travelled to Uruguay to close a OAS and Inter-American Development Bank (IDB) seminar on corruption.

Cabinet Approves Budget Cut To Check Inflation

PA1311130995 Caracas EL NACIONAL in Spanish 9 Nov 95 p D4

[Figures as published]

[FBIS Translated Text] The Council of Ministers yesterday approved a 146.795 billion bolivar budget cut from the 1995 fiscal year, whose running budget is 200.7 billion bolivares. Office of Central Information [OCI] Director Fernando Egana has reported that this cut will have no negative social impact and that, on the contrary, it could have favorable effects because as the fiscal deficit is reduced it will be possible to eliminate inflationary pressure.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Egana emphasized that the budget reduction decree took into consideration the fundamental needs of the country and that necessary expenditures have been touched very little so that the impact of the measure may be as small as possible. This includes social programs. However, it must be noted that all sectors and activities that have benefited from the national budget will be affected by this significant cut.

Egana explained that the reduction does not involve a reduction in public employees because this is being done through administrative reorganization processes that take time and must be duly approved by the Council of Ministers, as it happened last week when the Office of the Governor of Caracas and the Maiquetia Airport Autonomous Institute were restructured.

Egana noted that the government believes that all the sectors of the country must make sacrifices to overcome the national crisis and the government, by making this significant budget reduction, wants to set an example.

Why the cut was not for 160 billion bolivares as it had been announced? Is it true that the 1996 budget will be modified?

The cut was for 146 billion bolivares because it is believed this is a suitable expenditure cut. Central Budget Office authorities can give more details on this.

Regarding the second question, Egana said this matter is being discussed by Congress who has the final word on this, and the national government will then see if it has to modify the budget or not.

Egana was consulted about facts provided by some recent polls, according to which 80 percent of the Venezuelans say the country is immersed in a bad situation. The OCI director said that as the government sees it, polls are important references as to what the people think but polls are not guidelines for government actions. Paraphrasing Venezuelan President Rafael Caldera, Egana stated: "The government has not governed, it is not governing, and will not govern with basis on poll results but with basis on the best interests of the nation."

Government To Implement Measures To Lift Exchange Control

PA0911165995 Caracas Venezolana de Television Network in Spanish 1545 GMT 8 Nov 95

[FBIS Translated Text] Finance Minister Luis Raul Matos Azocar has announced that the government will implement new measures to lift the foreign exchange control in December. He has said the government is studying measures to lift the exchange control and to standardize the exchange system by virtue of the distortion the Brady bonds have prompted in the market.

[Begin Matos recording] The market is distorted due to the psychological effects the Brady bonds dollars create. We have to make quick decisions that will allow us to lift the exchange control in an organized fashion and to implement what we call the organized standardization of the exchange system. We are quickly working on these mechanisms and will soon be making decisions in this regard. [end recording]

Matos also has explained the results of his trip to Japan and Korea, stressing the interests the Asian investors reportedly have to invest in our country. Japanese investment banks are willing to lay out $1 billion to invest in the aluminum industry and to sell [as heard] Venezuelan securities:

[Begin Matos recording] Those markets have been opened for our products and to obtain financing. Thanks to the talks we will hold with the congressional commissions, the Venezuelan Guayana Corporation, and the small- and mid-scale companies, we Venezuelans must now take advantage of the opportunity the Asian markets are giving us in the Asian markets. [end recording]

Energy Minister To Hold Talks With Oil-Producing Countries

PA1411010395 Caracas EL GLOBO in Spanish 10 Nov 95 p E2

[Report by Luis Guerra Fortique]

[FBIS Translated Text] Erwin Arrieta, energy minister and OPEC president, has reported that, during the trip he will begin today to several countries that belong to OPEC and others that do not, he will have the opportunity to talk to the oil ministers of these countries on the oil market's situation. We are studying three scenarios on the impact of the economies of the oil-producing countries on OPEC. One such scenario would be to maintain the current production ceiling; the second scenario would be to study certain production increases by testing a few demand increases; and the third scenario would be a scenario that no one wants: the impact if every country produces what it wants to produce. Anyway, the objective of this trip is to exchange ideas with my colleagues.

The energy and mines minister affirmed that a position on this matter has not been taken. Our people in the Venezuelan Hydrocarbon and Oil Economy Division [Division de Economia de Hidrocarburos y Petroleos de Venezuela] are conducting studies to determine our position at the next OPEC conference, which will be held in late November in Vienna. We have observed that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

OPEC's position seems to point to keeping the current production ceiling by a "roll over" [previous two words published in English] of the 24.5 million barrels a day that was established as a ceiling in September 1993. This is to be explained; however, please understand that, as OPEC president, I cannot give my opinion on this matter.

Minister Arrieta made these statements after delivering the opening speech at the forum the Venezuelan Aluminum Industry Association (Avial) [Asociacion Venezolana de la Industria del Aluminio] organized on the following issue: Privatization of the CVG [Venezuelan Guayana Corporation] Aluminum Companies. The forum was held at the Consolidated Cultural Center.

In referring to the causes that led to the increase in oil prices in the last few weeks, Arrieta maintained that "I continue to regard the oil market as a quite volatile one as there is a strong relation between supply and demand and as there is an amount of crude that is floating around exerting a pressure on the market. He stressed that the concern about the market's behavior is a concern common to all oil-producing countries, whether they belong to OPEC or not, with regard to taking the best position that will benefit all.

The Venezuelan minister said that this floating amount of oil totals 1 million barrels a day. This is why the objective of our talks is to reach an informal agreement with non-OPEC oil-producing countries to somehow limit production according to the demand trend.

He added that there have been moves in the past that have shown the resolve of these countries that do not belong to OPEC to cooperate with the organization. After all, we have the same interests: we produce oil, and no one would like prices to fall.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.